



TWO-THOUSAND ELEVEN COMPREHENSIVE ANNUAL FINANCIAL REPORT

INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA
FOR YEAR ENDED JUNE 30, 2011



Greenville
Technical College



TWO-THOUSAND ELEVEN COMPREHENSIVE ANNUAL FINANCIAL REPORT

**INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA
PREPARED BY THE FINANCE DIVISION FOR FISCAL YEAR ENDED JUNE 30, 2011**

Greenville Technical College
Comprehensive Annual Financial Report
A Component Unit of the State of South Carolina
Fiscal Year Ended June 30, 2011

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Greenville Technical College
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Fiscal Year Ended June 30, 2011

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INTRODUCTORY SECTION

INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA

President's Letter

September 30, 2011

Members of the Greenville Technical College Commission and the Community:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year 2010-2011. Our intent is to provide relevant information concerning the operations and financial position of our institution.

Greenville Technical College endured yet another challenging fiscal year, learning to define a new normal amid dwindling state funding. Despite the funding shortfalls of the last three years, college faculty and staff continue to work together to maintain a high quality of educational service for our students and the community in Greenville County. I firmly believe that continued and sustained investment in what we do will help us become stronger for the future and increase services to our students and communities.

I remain proud of what our institution has accomplished amid such challenges, and I look forward to the opportunities ahead. The college is currently in the midst of preparing for reaffirmation of our accreditation. The preparation of the accountability report has allowed the college to closely examine programs and services to ensure that we are delivering the highest quality services and allocating funding to those activities that most align with our mission and vision. Additionally, the college will continue an extensive risk assessment process begun last year to identify any potential threats to our success and to put controls in place to best protect the assets of the college. All of our efforts are ultimately towards increasing accountability with you, our stakeholders.

Greenville Technical College remains driven towards our vision to be an exemplary center for learning that enables student success and promotes economic development. As detailed in this CAFR, the college is in a strong financial position and I am confident that the college will remain a driving force in the personal and economic development of Greenville County in future years.

Respectfully,



Dr. Keith Miller

President



GREENVILLE TECHNICAL COLLEGE
List of Area Commissioners and Officers
For Year Ended June 30, 2011

<u>Area Commission Members</u>	<u>District</u>	<u>Term Expires</u>
Mr. Paul O. Batson, III	24	May 31, 2014
Mr. Coleman Shouse	-	Ex-Officio
Mr. Kenneth Southerlin	17	May 31, 2014
Dr. Phinnize J. Fisher, Superintendent	-	Ex-Officio
Rev. O.T. Hill	21	June 30, 2011 *
Ms. Jennie M. Johnson	18	June 30, 2011 *
Dr. Robert A. Wilson	19/26	May 31, 2014
Mr. Calder D. Ehrmann	-	May 31, 2012
Mr. David K. Stafford	-	May 31, 2012
Mr. Glenn Hamilton	20/22	May 31, 2014
Mr. Ray Martin	23/25	May 31, 2014
Mr. Dean Jones	-	Ex-Officio

* Commissioners' terms will continue until the Greenville County legislative delegation appoints a replacement.

Key Administrative Staff

Dr. Keith Miller	President
Mrs. Jacqueline R. DiMaggio	Vice President for Finance
Mrs. Cynthia Eason	Vice President for Corporate & Economic Development
Mr. J. Curtis Harkness	Vice President for Administration & Diversity
Ms. Lauren Simer	Vice President for Institutional Effectiveness
Mr. Steven B. Valand	Vice President for Education
Ms. Susan M. Jones	Associate Vice President for Human Resources
Mr. Robert Howard	Greenville Tech Foundation President

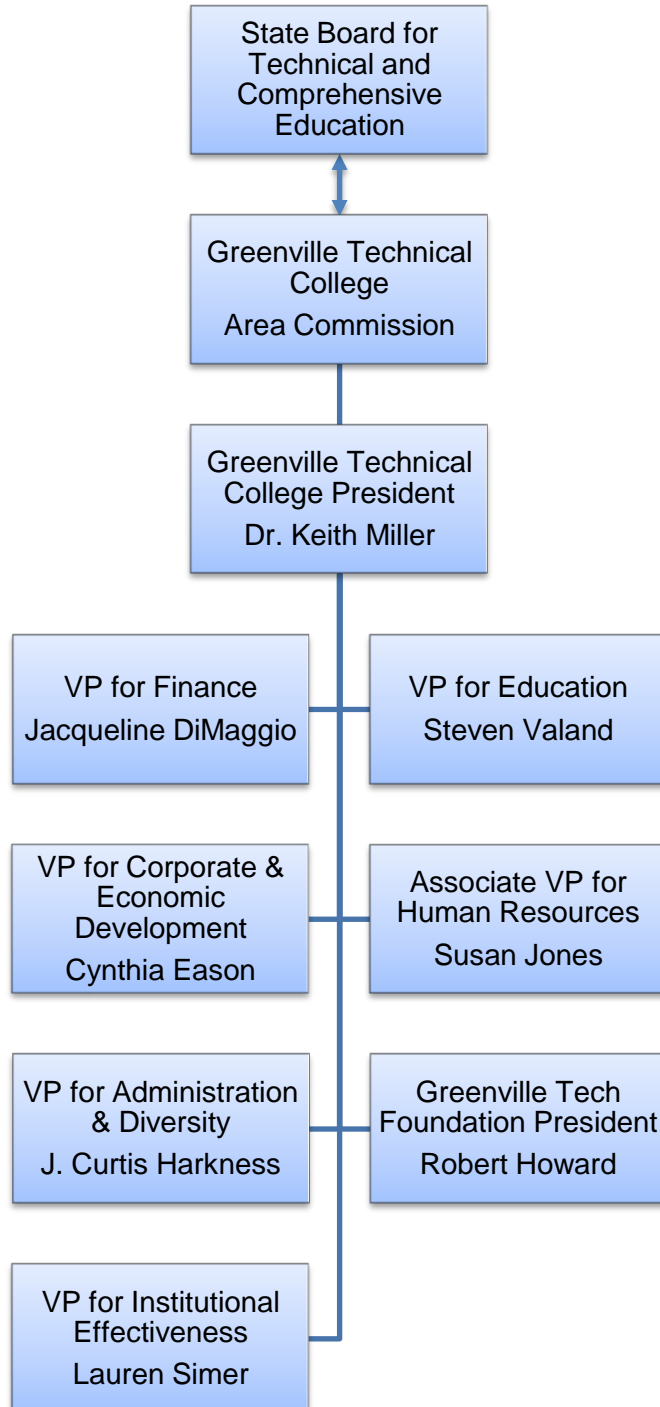
Area Served by the Commission

Greenville County

County providing financial support

Greenville County

GREENVILLE TECHNICAL COLLEGE
Organizational Chart
For Year Ended June 30, 2011





December 14, 2011

To the Members of the Area Commission for Greenville Technical College:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Greenville Technical College for the fiscal year ended June 30, 2011.

State law, federal guidelines and certain debt covenants require an annual audit of the financial records. Greenville Technical College (the "college") contracted with the independent certified public accounting firm of Cline, Brandt, Kochenower and Company, P.A. to perform the annual audit of its financial statements and federal assistance programs. The Independent Auditor's Report is included in the financial section of this CAFR and reflects an unqualified opinion on the basic financial statements. As a recipient of federal financial awards, the college complies with the requirements of the Single Audit Act, and separate single-audit reports have been issued, which are included in the Federal Awards section.

The management of the college is responsible for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the information presented is accurate in all material respects and is comparable to peer institutions. All disclosures have been included and will provide the reader with a reasonable understanding of the college's financial activities that support its mission.

The management of the college is responsible for establishing and maintaining the framework of all internal control. In fulfilling this responsibility, estimates and judgments are required to assess the expected benefits and related costs of policies and procedures related to the internal control framework. The system of internal control is designed to ensure that certain organizational objectives are met. Accordingly, organizational structure, policies and procedures have been established to safeguard assets; ensure the reliability of accounting data; promote efficient operations; and ensure compliance with established governmental laws, regulations and policies, college policies, and other requirements of those to whom the college is accountable. The internal accounting control structure is designed to provide reasonable, not absolute, assurance that these objectives are met. The Management's Discussion and Analysis included in the Financial Section provides a detailed explanation of the changes in financial reporting from the prior year and the resulting effects of those changes, and should be read in conjunction with this letter of transmittal.

PROFILE OF THE COLLEGE

Greenville Technical College is one of sixteen colleges included in the South Carolina Technical College System. The State Board for Technical and Comprehensive Education, an agency of the State of South Carolina, governs the system. Greenville Technical College is a comprehensive, public two-year institution that serves Greenville County in the Upstate Region of South Carolina.

The college has four campuses and two other teaching locations in Greenville County. The college also delivers instruction in various businesses, industries and public schools located in its service area. It also provides opportunities for students to take classes on the Internet that lead to a degree.

The college's governing board, the Area Commission (the "commission"), is appointed by the Greenville County Legislative Delegation. There are nine commissioners who are appointed for four-year terms and three ex-officio members.

State law mandates Greenville County to provide sufficient funding to build, maintain and operate the college's physical plant.

Greenville Technical College is part of South Carolina's primary government and is included in the Comprehensive Annual Financial Report of the state.

Greenville Tech Foundation, Inc. (the "Foundation") was founded in 1973 in Greenville, South Carolina as an eleemosynary organization. The primary objective of the Foundation is to support the education at Greenville Technical College through financial assistance to the college and its students. During December 2002, the Foundation formed a wholly owned subsidiary, GTF McAlister, LLC which owns and operates the interior portion of the McAlister Square Mall. In 2004, the Foundation formed a wholly owned subsidiary, GTF Student Housing, LLC. This subsidiary is responsible for the building and maintenance of student housing on the Greenville Technical College campus. Student housing opened during the fall semester of 2006. During 2007, the Foundation formed a wholly owned subsidiary, Brashier Charter, LLC. This subsidiary is responsible for the construction and operation of the building housing the charter school on the Brashier Campus of Greenville Technical College which opened in August 2009.

The college's strategic planning process directly impacts the preparation of the budget. The original operating budget is based on preliminary estimates and is approved by the commission each year. The college maintains controls in line item budgets, budget transfer restrictions, and in the use of an encumbrance accounting system. These budgetary controls ensure compliance with the annual budget adopted by the governing board. As demonstrated by the financial statements and schedules included in the financial section of this report, college management continues to meet its responsibility for sound fiscal administration.

ECONOMIC CONDITION AND OUTLOOK

A primary mission of technical colleges is to support economic development through education and training for the citizens of the State of South Carolina. Greenville Technical College, like all public higher education institutions in South Carolina, is linked to the economic condition of the state and is subject to the funding priorities established by the South Carolina General Assembly. Additionally, because the college's financial condition is closely connected to the local economy in its service area, it is also subject to the priorities of the local government.

Fiscal year 2010-2011 was a challenging year for the college economically. Over the past few years, allocations received from the state have been reduced significantly. In fiscal year 2008-2009, the appropriation was reduced approximately 25 percent. In fiscal year 2009-2010 the appropriation was reduced by another 9 percent, and by an additional 15 percent in fiscal year 2010-2011. The cumulative impact of these reductions represents a loss of approximately \$12 million in revenue for the college. On a positive note, it appears that the 2011-12 allocation will be slightly higher than the prior year allocation. The loss in state funding in fiscal year 2010-2011 was offset by increased operating grant revenue. The operating grant revenue includes a \$4.1 million increase in PELL grants which are used by students to pay tuition and fees and other expenses.

The college continues to address budget reductions by examining its processes and practices for ways to become more efficient. Significant investments were made in technology designed to automate functions in many administrative areas of the college, including human resources, business office and student services. Significant improvements were made to the college's infrastructure including new energy efficient chillers, boilers and lighting systems. The college is in the process of replacing two buildings with significant deferred maintenance requirements with one new building housing some of the support departments including Information Technologies, Planning and Grants, Institutional Effectiveness, and Logistics. The building will also house the college's data center. The college is also building a small building to house the college's Small Animal Care program. This program has outgrown the space that it currently rents. The funding for these projects is from the college's plant fund and the projects are expected to result in considerable savings in utilities and the elimination of significant deferred maintenance. In addition to implementing efficiency strategies, the college's Area Commission approved a restructured tuition plan that included linear charges for students taking above twelve credit hours.

The state's economic outlook for fiscal year 2011-2012 is expected to improve slightly based on the information released by the Board of Economic Advisors (BEA). The state should experience some revenue growth, however, the college expects that the State's other priorities will be funded first. State budget officials indicate that the state does not have adequate reserves should the state revenue not

make projections. Should the state's budget officials declare revenues to be lagging, the college may experience mid-year budget reductions. The Area Commission and college administration, in developing the current year budget, developed recurring contingencies should the college have to return funds to the state.

Greenville County continued their support by funding the college for operations and maintenance of plant and for capital expenditures on a millage basis. The college's appropriations grow along with the county's tax revenues.

MAJOR INITIATIVES

The college will undertake several major initiatives during the next fiscal year that will impact its economic vitality. The college will renovate the area for the Emergency Medical Technician program. This will make the area a better teaching and learning environment and eliminate significant deferred maintenance requirements. The college is renovating space on every campus to ensure that there are adequate library and tutoring spaces for our students. The college will continue to replace aging infrastructure and upgrade buildings to be more energy efficient.

The college is creating an Academic Master Plan. The college has hired an architectural and planning firm to study current and future academic offerings, assess facility usage and project future needs. The study will help the college prioritize the addition of academic offerings, the allocation of financial resources to facility projects, and will help the college create a ten year plan which will transform the college. The Academic Master Plan is intended to engage faculty, staff, and students in a dialogue and internal assessment that would identify areas of opportunity while realigning the commitment of the academic enterprise with the college's vision, mission and goals. With recognition that any planning document should be a living document that evolves continuously, the initial draft will be circulated for feedback and the plan will be revisited and revised at least annually.

Greenville Tech is a member of the Achieving the Dream Community Colleges Count initiative ("AtD") and has a Title III, Strengthening Institutions grant from the U.S. Department of Education. These initiatives are designed to help students achieve their academic goals. AtD colleges are finding ways to help students succeed by using data to guide priorities and decisions. This multi-year, national initiative is particularly concerned with student groups that traditionally have faced significant barriers to success, including students of color, first generation college students, and low-income students. The Title III grant focuses on providing developmental studies students with keys for enhanced learning, educational relationships, and support services driven by faculty through collaboration, curriculum design and professional development.

In fiscal year 2011-2012, the college will conduct a review of its marketing practices. A third party marketing firm will perform customized and comprehensive market research in order to provide recommendations to better position the brand of Greenville Technical College. Market research will be used to develop an integrated brand strategy targeted at potential students, current students and other key stakeholders. Brand building tactics will include traditional advertising, public relations, social networking and strategic partnerships utilizing a mix of traditional and digital mediums. By building brand loyalty and engaging the residents of Greenville County, the college hopes to increase the number of people selecting the college as a first choice for their educational needs as well as increase the retention rate of current students. The college also hopes to be known by the community as having a vital role in economic development and job creation, while strengthening the financial and advocacy support received by the college from the community.

The college recognizes the need for developmental, general education, and continuing education programs for Greenville County. The college, through the Greenville Tech Foundation, will continue its major giving campaign. The campaign will focus on generating resources for students in need. Additionally, the campaign will generate support for the college's facilities and grow the Foundation's endowment.

MISSION STATEMENT

VISION

Greenville Technical College's vision is to be the best community and technical college for students seeking career and educational opportunities.

MISSION

Greenville Technical College drives personal and economic growth through learning.

ROLE AND SCOPE

Greenville Technical College is the largest public two-year college in South Carolina, serving a fall headcount of approximately 15,000 curriculum students. The college provides exceptional learning opportunities primarily to the residents of Greenville County.

Curricular offerings include (1) technical courses, certificates, diplomas and associate degrees in business, computer technology, health sciences, engineering technologies, industrial technologies, and public service; and (2) university transfer courses and associate degrees.

The college also provides an extensive offering of continuing education courses for occupational advancement and personal interest, as well as economic development services that encourage business and industrial growth in a diverse economic community.

In addition, developmental courses serve under-prepared students seeking to enter a program of study. Upon completion of their educational goals, the majority of graduates either are employed in fields related to their programs of study or transfer to four-year colleges and universities.

Since the college is an open admission institution, students come from diverse socioeconomic and educational backgrounds. Affordable education is provided at times and locations convenient to students. Faculty and staff are student-centered, flexible, and recognized in their fields. Various educational support services are provided to facilitate the teaching/learning process and to enhance the academic and personal development of the student, including an emphasis on articulation with local high schools and other colleges and universities.

VALUES

Greenville Technical College is committed to the following values:

- **Learning:** We are committed to providing quality learning opportunities that enable individual and community achievement and that are affordable and accessible for all members of our community.
- **Integrity:** We believe trust is an essential element in a safe and effective learning environment, so we promote and foster openness, honesty, respect, and fairness.
- **Diversity:** We recognize and celebrate diversity, so we value and support considerate, meaningful communication and inclusiveness in collaborative decision-making processes.
- **Cooperation:** We value collaboration and teamwork, so we foster caring, professional relationships among students, employees, and our community in an effort to expand partnerships.
- **Excellence:** We value continuous improvement, so we encourage innovation, creative problem-solving and responsible risk-taking as we act courageously, deliberately, and systematically to enhance and enrich our learning environment.
- **Accountability:** We value students, faculty, and staff, so we recognize their contributions, encourage their professional development, and regularly evaluate performance to improve learning outcomes, programs, processes, and services.

STRATEGIC IMPERATIVES

Greenville Technical College achieves its mission by implementing the following strategic imperatives:

- Return to Teaching and Learning as Our Core Mission
- Ensuring Student Focus: Student Success
- Improve Technology Infrastructure
- Foster Continuous Employee Development
- Become the College of Choice in a Competitive Environment

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

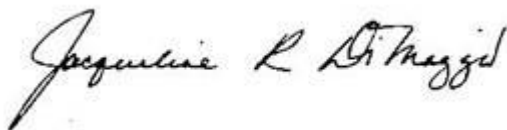
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Greenville Technical College for its comprehensive annual financial report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

It is incumbent upon us to thank the Greenville Technical College Area Commission and the President of the college for their interest and support in conducting the fiscal affairs of the college in a highly responsible and professional manner. The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Financial Affairs staff and other departments and individuals who assisted in the preparation of this report. Our appreciation is also expressed to our independent auditors, Cline, Brandt, Kochenower and Company for the timely completion of the audit.

Sincerely,

A handwritten signature in black ink, reading "Jacqueline R. DiMaggio". The signature is fluid and cursive, with the first name "Jacqueline" being the most prominent part.

Jacqueline R. DiMaggio
Vice President for Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Greenville Technical College
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



FINANCIAL SECTION

INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA

Independent Auditor's Report

Greenville Technical College
Greenville, South Carolina

We have audited the accompanying financial statements of the business-type activities of Greenville Technical College, as of and for the years ended June 30, 2011 and June 30, 2010, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, the Greenville Tech Foundation, Inc. and Subsidiaries. The Greenville Tech Foundation, Inc. and Subsidiaries reflects 100% of total assets, 100% of net assets, and 100% of total revenue of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the discretely presented component unit, the Greenville Tech Foundation, Inc. and Subsidiaries, is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *State Board for Technical and Comprehensive Education Audit Guide*. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Greenville Tech Foundation, Inc. and Subsidiaries were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

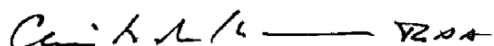
In our opinion, based on our audit and the report of other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of Greenville Technical College and its discretely presented component unit, as of June 30, 2011 and June 30, 2010, and the changes in financial position, and cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2011 on our consideration of Greenville Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

We have also issued our report dated September 1, 2011 on our consideration of Greenville Technical College administration of the State Lottery Assistance Program and on our test of its compliance with certain provisions of State law and policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Greenville Technical College's financial statements as a whole. The introductory section and the statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of the College. The schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



September 1, 2011

Management's Discussion and Analysis

Greenville Technical College is pleased to present its financial report and management's discussion and analysis of the college's financial performance for the fiscal year ended June 30, 2011. This report focuses on current activities, resulting change and currently known facts, and provides a comparison with the prior fiscal year. This discussion should be read in conjunction with the financial statements and the accompanying notes which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments* and Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Colleges and Universities*.

The college is engaged only in Business-Type Activities (BTA) that are financed in part by fees charged to students for educational services. Accordingly, its activities are reported using the three financial statements required for proprietary funds: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. These statements present financial information in a format similar to that used by the private sector.

STATEMENT OF NET ASSETS

The Statement of Net Assets provides a snapshot of the college's assets, liabilities and net assets at the end of the fiscal year. It provides the reader with information concerning the institution's ability to continue its operations and to determine its financial stability. Assets and liabilities are separated into current, those that are due or to be paid within the current year and non-current, those that are longer term in nature. Net Assets represent the difference between total assets and total liabilities and provides information, in part, concerning any amount available to be spent by the institution.

Net Assets are divided into three major categories. The first category, *invested in capital assets, net of related debt*, provides the equity in property, plant and equipment owned by the college. The next category, which is *restricted net assets*, is expendable in nature and has been approved by the college's governing board specifically for capital projects, and debt service, as indicated. The final category of net assets is *unrestricted*, and not subject to external stipulations, however, some of the funds have internal designations. For more information see Note 11.

Assets

The following schedules are condensed versions of the college's assets, liabilities and net assets for the fiscal years ending June 30, 2011, 2010 and 2009. They were prepared from the Statement of Net Assets which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated. Total net assets at June 30, 2011, 2010 and 2009 were \$85.3 million, \$82.5 million and \$77.1 million respectively.

Condensed Summary of Net Assets As of June 30, 2011, 2010, and 2009 (in millions)			
	2011	2010	2009
Current Assets	\$ 41.1	\$ 38.8	\$ 34.6
Non-current Assets			
Capital Assets, Net of Accumulated Depreciation	100.8	102.7	95.4
Total Assets	141.9	141.5	130.0
Current Liabilities	12.2	11.3	10.7
Non-current Liabilities	44.4	47.7	42.2
Total Liabilities	56.6	59.0	52.9
Net Assets			
Invested in Capital Assets	56.7	55.6	57.5
Restricted	4.1	6.3	4.1
Unrestricted	24.5	20.6	15.5
Total Net Assets	\$ 85.3	\$ 82.5	\$ 77.1

A strong indicator of the financial health of the college is the improvement in the ratio of current assets to current liabilities. The current ratio at June 30, 2011, 2010 and 2009 were approximately 3.4:1, 3.4:1 and 3.2:1 respectively. The college maintains fiscally sound budget practices that provide for the conservative balance between the two categories.

Current assets increased \$2.3 million between fiscal years 2011 and 2010 while current liabilities increased \$0.9 million in the same period. Comparatively, current assets increased \$4.2 million between fiscal years 2010 and 2009 while current liabilities increased \$0.6 million in the same period. Overall, assets increased \$0.4 million from June 30, 2010 to June 30, 2011, compared to an increase of \$11.5 million from June 30, 2009 to June 30, 2010. The changes related to the fiscal year ended June 30, 2011 as compared to June 30, 2010 are explained as follows:

- The total of cash and investments decreased from \$28.7 million to \$24.6 million.
- Accounts Receivable increased approximately \$6.7 million; the college increased its allowance of doubtful account balance approximately \$0.9 million. The allowance increased to \$5.2 million at June 30, 2011 from \$4.3 million for the prior year. This increase was intended to ensure that the college has adequate reserves given the challenges students are facing in the current economic climate. Of the \$6.7 million increase in accounts receivable, \$3.3 million is related to federal grantors, primarily for federal financial aid and \$4.5 million is related to receivables from the state of South Carolina, primarily related to state financial aid. These increases were offset by a decrease in net student accounts receivable as a result of the increase in the allowance for doubtful accounts. (See Note 4 for additional information).

- Bond proceeds receivable decreased \$0.3 million as a result of expenditures for the construction of the Animal Sciences Building.
- Inventories increased \$0.5 million to \$3.6 million.
- Other assets, primarily prepaid expenses, decreased \$0.5 million to \$1.0 million.

The changes related to the fiscal year ended June 30, 2010 as compared to June 30, 2009 are explained as follows:

- The total of cash and investments increased from \$19.4 million to \$28.7 million.
- Accounts Receivable decreased approximately \$1.6 million; the college increased its allowance of doubtful account balance approximately \$2.1 million. The allowance increased to \$4.3 million at June 30, 2010 from \$2.2 million for the prior year. This increase was intended to ensure that the college had adequate reserves in the current economic climate.
- Bond proceeds receivable decreased \$3.5 million as a result of expenditures for renovation projects.
- Inventories remained stable at \$3.1 million.
- Other assets, primarily prepaid expenses, also remained stable at \$1.6 million.

Non-current assets are primarily capital assets net of depreciation and other assets, comprised mainly of restricted cash. Capital assets net of depreciation in the fiscal years ended June 30, 2011 decreased \$1.9 million from June 30, 2010. The balances were \$100.8 million at June 30, 2011 and \$102.7 million at June 30, 2010. The decrease of \$1.9 million is compared to an increase of \$7.3 million from the fiscal year ended June 20, 2009 balance of \$95.4 million.

Contributing factors to the changes from June 30, 2010 to June 30, 2011 were:

- Construction in progress decreased by \$0.8 million, a net result of the capitalization of the Student Center renovation project offset by two additional construction projects initiated in fiscal year 2011. The projects are a building for the Animal Sciences program and a building to house the college's Information Technologies Department and Logistics Services.
- Machinery & equipment and vehicles increased \$1.2 million and \$0.5 million respectively. Most of the increases were a result of purchases made from federal grants.
- Depreciation expense accounted for \$5.9 million. See Note 8 for additional information. Accumulated depreciation increased \$5.7 million as a net result of the depreciation expense and retirements of assets.

Contributing factors to the changes from June 30, 2009 to June 30, 2010 were:

- Construction in progress increased by \$1.5 million, a result of the construction expenses on the Student Center renovation project offset by three projects which were capitalized in fiscal year 2010.
- Depreciation expense accounted for \$4.9 million. See Note 8 for additional information. Accumulated depreciation increased \$4.3 million as a net result of the depreciation expense and retirements of assets.

The following table contains an analysis of capital assets as of June 30, 2011, June 30, 2010 and June 30, 2009.

Analysis of Capital Assets As of June 30, 2011, 2010, and 2009 (in millions)			
	2011	2010	2009
Land and Land Improvements	\$ 16.5	\$ 16.4	\$ 16.0
Buildings and Improvements	129.1	126.2	117.0
Machinery and Equipment	13.0	11.9	11.4
Vehicles	1.9	1.4	1.4
Construction in Progress	1.9	2.6	1.1
	162.4	158.5	146.9
Less: Accumulated Depreciation	(61.6)	(55.8)	(51.5)
Net Capital Assets	\$ 100.8	\$ 102.7	\$ 95.4

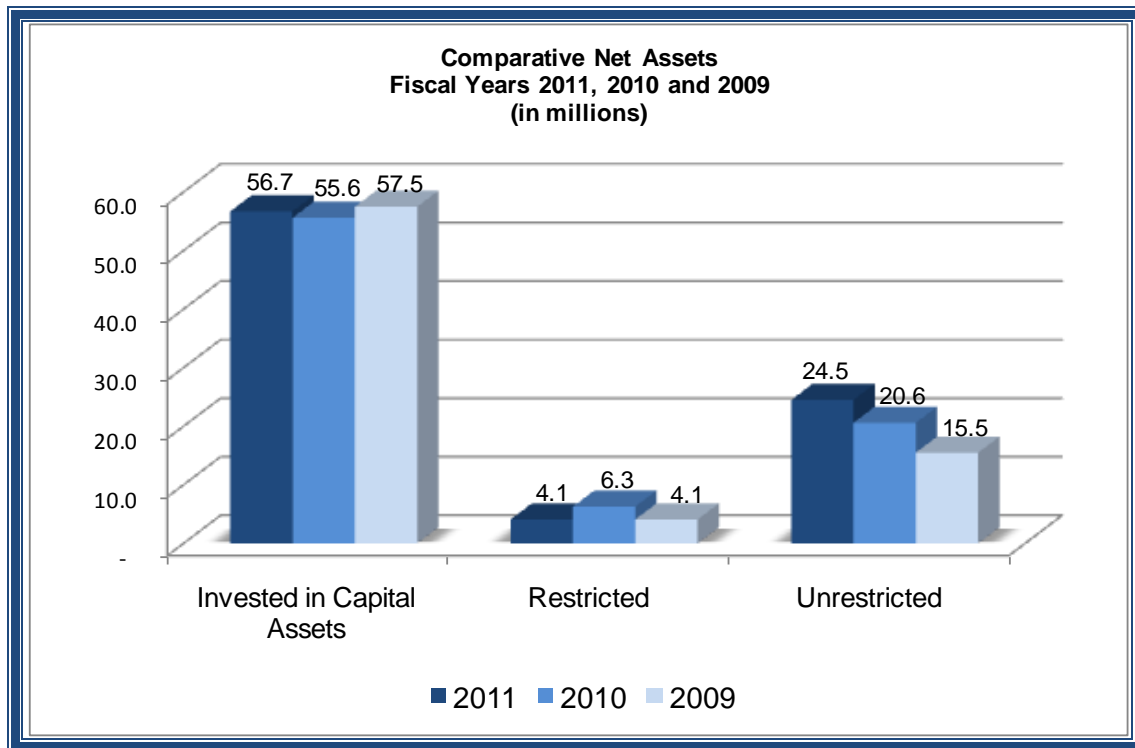
Liabilities

Total liabilities decreased \$2.4 million between fiscal years 2011 and 2010, from \$59.0 million to \$56.6 million. Comparatively, total liabilities increased \$6.1 million between fiscal years 2010 and 2009, from \$52.9 million to \$59.0 million. Current liabilities at June 30, 2011 increased by \$0.9 million from June 30, 2010 primarily as a result of increases in accounts payable of \$1.0 million and small increases in the current portion of long term liabilities and deferred revenue. These increases were partially offset by a \$0.6 million decrease in funds held for others. Current liabilities at the end of the prior fiscal year, June 30, 2010, increased by \$0.6 million primarily as a result of increases in funds held for others of \$0.7 million and current portion of long term debt of \$0.3 million. This increase was offset by decreases in accrued payroll of \$0.6 million and deferred revenues of \$0.1 million.

Non-current liabilities decreased \$3.3 million from June 30, 2010 as compared to June 30, 2011, due to bond and capital lease payments (see Note 12 for additional information) of \$3.4 million. The \$5.5 million increase in non-current liabilities from June 30, 2009 to June 30, 2010 was a result of the addition of the capital lease with Brashier Middle College LLC, a wholly owned subsidiary of the Greenville Tech Foundation. The increase was partially offset by bond and capital lease payments (see Note 12 for additional information). The addition of the capital lease increased long term debt by \$8.3 million.

Net Assets

Total net assets at June 30, 2011 were \$85.3 million, an increase of \$2.8 million from the prior fiscal year balance of \$82.5 million, a 3.4 percent increase. The \$82.5 million total for net assets at June 30, 2010 was a \$5.4 million increase from the June 30, 2009 balance of \$77.1 million, a 7.0 percent increase. Investment in capital assets at June 30, 2011 and June 30, 2010, were \$56.7 million and \$55.6 million, respectively, a \$1.1 million increase as compared to a \$1.9 million decrease from the June 30, 2009 balance of \$57.5 million. Restricted net assets decreased by \$2.2 million at June 30, 2011 as a result of payments made related to the construction of the IT/Logistics Building. Restricted net assets increased by \$2.2 million at June 30, 2010 as a result of the decision to construct the IT/Logistics Building. The building cost was estimated at \$5.9 million. This increase was offset by decreases in encumbered funds for other capital projects. Unrestricted net assets as of June 30, 2011 increased \$3.9 million to \$24.5 million from the prior fiscal year balance of \$20.6 million. Planned uses for unrestricted net assets as of June 30, 2011 can be found in Note 11. The \$20.6 million total for unrestricted net assets at June 30, 2010 represents a \$5.1 million increase from the June 30, 2009 balance of \$15.5 million.



STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

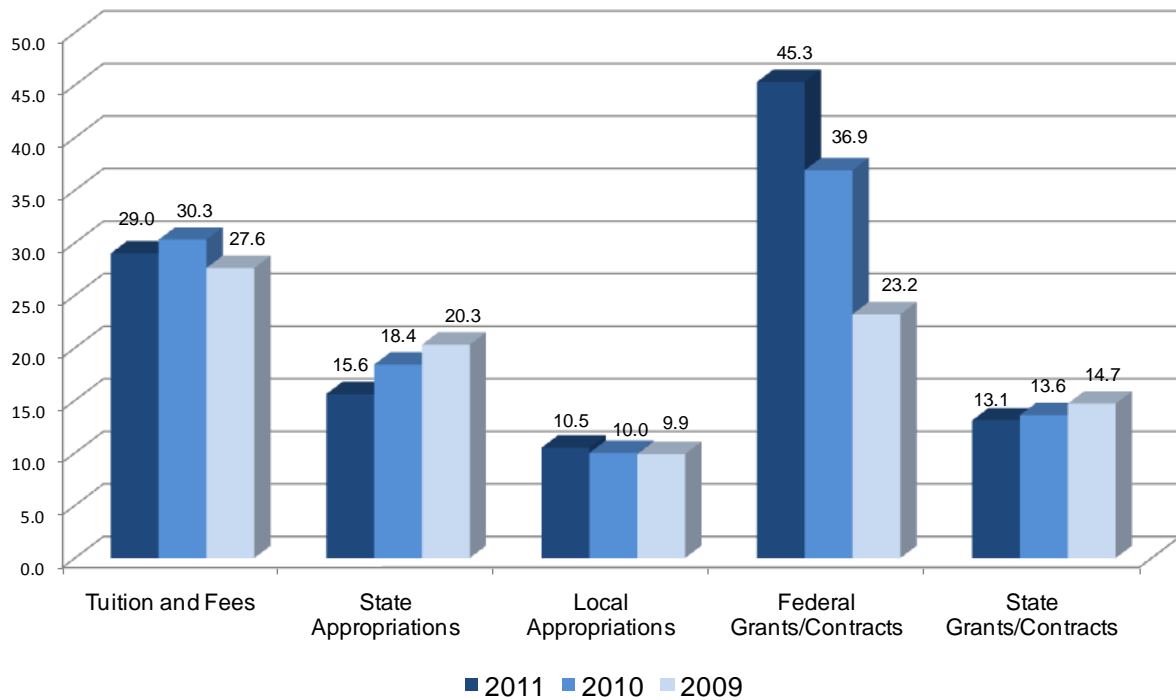
The Statement of Revenues, Expenses and Changes in Net Assets presents and categorizes revenues earned and expenses incurred during the year as operating and non-operating. Generally, operating revenues and expenses are those which are received and used to carry out the mission of the college. The college depends heavily on financial support from the state and county for which services are provided. This support is reflected as non-operating revenue based on governmental accounting standards. The college will always reflect an operating deficit due to the dependence on state and local funding. Non-operating revenues and expenses offset the operating deficit and result in an overall increase in net assets for the year. State capital appropriations and capital grants and gifts are considered neither operating nor non-operating revenues and are reported after "income before other revenues, expenses, gains or losses."

Operating Results

The following schedules summarize the college's operating results for fiscal year ended June 30, 2011 with comparative data for fiscal years ended June 30, 2010 and June 30, 2009.

Operating Results for the Years Ended June 30, 2011, 2010, and 2009 (in millions)			
	2011	2010	2009
Operating Revenues			
Tuition and Fees	\$ 29.0	\$ 30.3	\$ 27.6
Federal Grants and Contracts	5.6	6.2	4.7
State and Local Grants and Contracts	12.3	12.5	13.4
Auxiliary	5.8	6.0	5.4
Other	1.7	1.6	1.2
Total	54.4	56.6	52.3
Less Operating Expenses	116.8	109.0	99.2
Net Operating Loss	(62.4)	(52.4)	(46.9)
Non-Operating Revenues (expenses)			
State Appropriations	15.0	17.6	19.4
State and Local Grants and Contracts	0.8	1.1	1.3
Federal Grants and Contracts	39.7	30.7	18.5
County Appropriations	10.5	10.0	9.9
Gain/(loss) on disposal of fixed assets	-	(0.4)	-
Interest Expense	(1.7)	(2.2)	(1.7)
Interest Income	0.3	0.2	0.5
Total	64.6	57.0	47.9
State Capital Appropriations	0.6	0.8	0.9
Increase in Net Assets	2.8	5.4	1.9
Net Assets (beginning of year)	82.5	77.1	75.2
Net Assets (end of year)	85.3	82.5	77.1
Total Revenues	121.3	117.0	102.8

Major Revenues for 2011, 2010 and 2009 (in millions)



Revenue

Total revenue increased \$4.3 million or 3.7 percent between fiscal years 2010 and 2011, from \$117.0 million to \$121.3 million respectively. Total revenue increased \$14.2 million or 13.8 percent between fiscal years 2009 and 2010, from \$102.9 million to \$117.0 million respectively.

Operating revenue decreased over most sources during fiscal year 2011 with the exception of other revenue for a total decrease of \$2.2 million or 3.9 percent. During fiscal year 2010, operating revenue increased consistently over all sources with the exception of state and local grants and contracts for a total increase of \$4.3 million or 8.2 percent. Net tuition and fees decreased 4.3 percent and increased 9.8 percent in fiscal years 2011 and 2010 respectively. Net tuition and fees is tuition and fee revenue decreased by scholarship and allowances and bad debt expense. Scholarship allowances represent the amount of students' tuition and fees that are paid by grants from federal, state, and other sources. (See Note 19 for additional information).

Increases in federal grants and contracts are due primarily to scholarships. Federal grants and contracts under operating revenue do not include PELL awards. As a result of the General Accounting Standards Board Implementation Guide's direction that PELL grants are non-exchange, non-operating revenue transactions, PELL is now classified as a non-operating federal grant.

Net auxiliary services revenue decreased 3.3 percent in 2010-11 as compared to the 11.1 percent increase in auxiliary services for fiscal year 2009-10 while gross bookstore revenues increased \$0.1 million, scholarship allowances for bookstore purchases increased \$0.4 million and bad debt expense related to bookstore purchases decreased \$0.1 million. (See Note 19 for additional information).

Non-operating revenue increased by \$7.6 million or 13.3 percent during the 2011 fiscal year, while non-operating revenue increased by \$9.1 million or 19.0 percent during the 2010 fiscal year. Federal grants and contracts increased as a result of increased expenditures of ARRA funds of \$5.1 million and increases in the number of students eligible for the PELL grant award. PELL grants increased \$4.1 million in fiscal year 2011 and \$11.6 million in fiscal year 2010. This increase is partially offset by decreases in state appropriations and state and local grants and contracts. For a third year, the college sustained significant cuts in state funding. State appropriations for operations decreased \$2.6 million or 14.6 percent in fiscal year 2011, \$1.8 million or 9.2 percent in fiscal year 2010 and \$5.7 million or 15.9 percent in fiscal year 2009.

The college also experienced a reduction in state capital appropriations of 25.4 percent during fiscal year 2011, 11.1 percent during fiscal year 2010 and 70.0 percent during fiscal year 2009. These appropriations are for the debt service on the former McAlister Square Mall and operating expenses related to the University Center of Greenville. The costs (debt service and utilities) associated with these appropriations are fixed and recurring while the appropriations are dwindling. This is creating an additional financial strain on the college's funds. Increases in local appropriations of \$0.5 million in fiscal year 2011, \$0.1 million in fiscal year 2010 and \$0.7 million in fiscal year 2009 from Greenville County helped to offset some of these decreases.

Expenses

In fiscal year 2011, operating expenses were \$116.8 million, an increase of \$7.8 million or 7.1 percent over fiscal year 2010. Operating expenses increased 9.9 percent for fiscal year 2010 to \$109.0 million from \$99.2 million for fiscal year 2009.

Salaries and benefits increased approximately \$1.3 million or 2.2 percent during fiscal year 2011. A one and one-half percent salary increase was granted to employees effective November 1, 2010. Salaries and benefits increased by approximately \$1.2 million or 2.2 percent during fiscal year 2010. A two percent salary increase was granted to employees effective January 1, 2010. Also, increased enrollment required the hiring of additional instructors which caused the increase in salaries and benefits.

Scholarships to students in fiscal year 2011 increased by approximately \$1.5 million or 7.9 percent as compared to an increase of \$7.4 million, or 61.7 percent in fiscal year 2010. These increases were related to an increase in the maximum award for eligible PELL grant students and an increase in the number of students eligible for PELL awards.

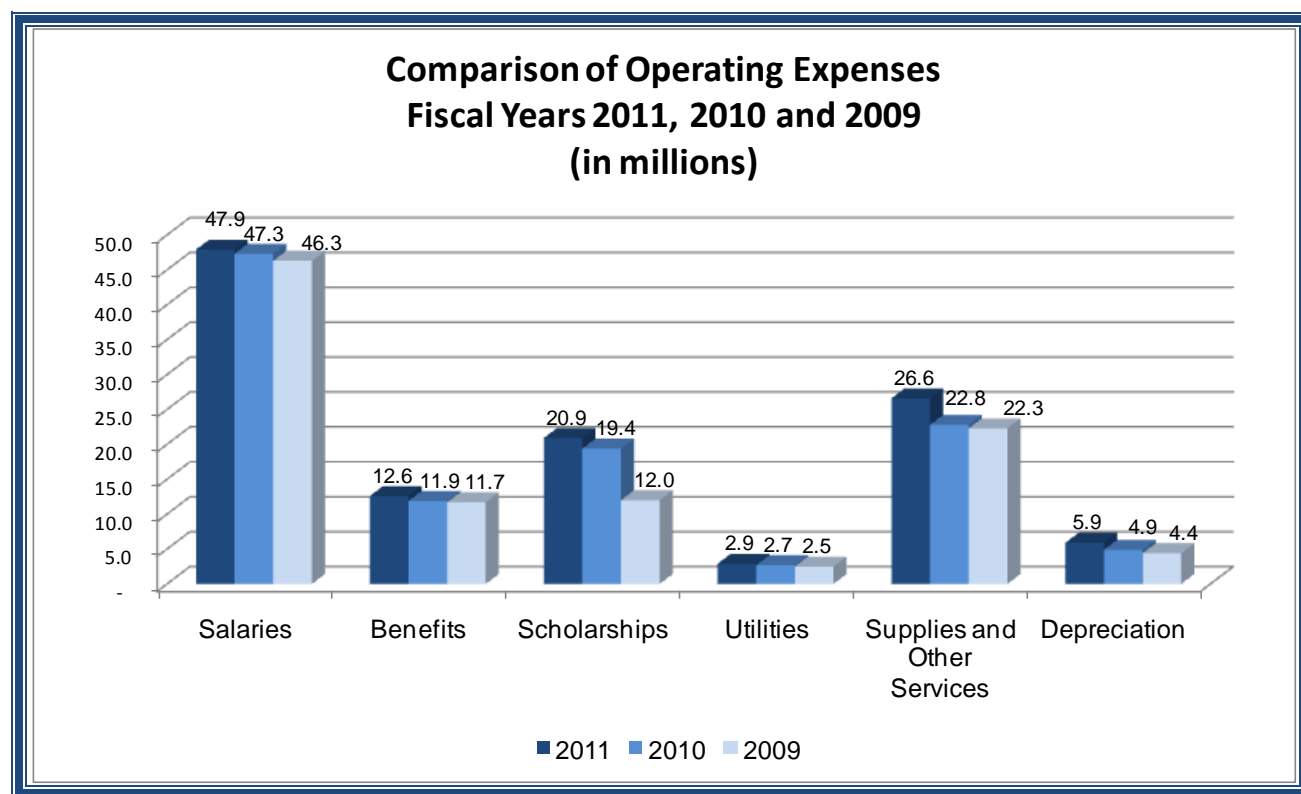
Utilities increased \$0.2 million or 4.1 percent during fiscal year 2011. This increase was the result of the full year impact of the addition of a welding lab on the main campus and bringing the Student Center back online after being closed for almost one year for renovations. Utilities increased \$0.2 million or 7.9 percent during fiscal year 2010. This increase was the result of the addition of the 53,000 square foot Middle College on the Brashier Campus and the addition of a welding lab on the main campus. The college is continuing to implement energy saving initiatives.

Supplies and other services increased by \$3.8 million or 16.7 percent as a result of the expenditure of a significant portion of the college's ARRA funds. Many of these expenditures were related to infrastructure upgrades that are not capitalized such as roofs, improvements to HVAC systems and the implementation of a voice over internet telephone system that had many components that did not meet the capitalization threshold during fiscal year 2011. During fiscal year 2010 supplies and other services increased by \$0.5 million as a result of increases in expenditures for supplies and equipment resulting from increases in enrollment.

Depreciation expense increased by approximately \$1.0 million in fiscal year 2011 from the prior year as a result of a change in the useful lives of two buildings slated for demolition in 2012 and the capitalization of the Student Center. In fiscal year 2010, depreciation expense increased by approximately \$0.7 million from the prior year due to the addition of the Brashier Middle College building, the capitalization of two renovation projects and the addition of the back entrance to the Greer Campus.

The following charts depict operating expenses by function for fiscal year ended June 30, 2011, 2010 and 2009.

Operating Expenses Fiscal Years Ended June 30, 2011, 2010, and 2009 (in millions)			
	2011	2010	2009
Operating Expenses			
Salaries	47.9	47.3	46.3
Benefits	12.6	11.9	11.7
Scholarships	20.9	19.4	12.0
Utilities	2.9	2.7	2.5
Supplies and Other Services	26.6	22.8	22.3
Depreciation	5.9	4.9	4.4
	<u>\$116.8</u>	<u>\$109.0</u>	<u>\$99.2</u>



Net investment in capital assets increased \$1.1 million to \$56.7 million in fiscal year 2011. This was due to the net effect of several construction projects, capitalized interest related to the projects, depreciation

expense of \$5.9 million, and the payment of \$3.4 million of debt. Net investment in capital assets decreased \$1.9 million to \$55.6 million in fiscal year 2010. This was due to the net effect of the investment in the Brashier Middle College capital lease, several renovation projects, capitalized interest related to the projects, depreciation expense of \$4.9 million, and the payment of \$2.8 million of debt.

An analysis of net assets for fiscal years ended June 30, 2011, 2010, and 2009 follows:

Analysis of Net Assets Fiscal Years Ended June 30, 2011, 2010 and 2009 (in millions)			
Net Assets	2011	2010	2009
Net Investment in Capital Assets	56.7	55.6	57.5
Restricted	4.1	6.3	4.1
Unrestricted	24.5	20.6	15.5
Total	\$85.3	\$82.5	\$77.1

Restricted net assets decreased \$2.2 million in fiscal year 2011 due to progress made on the IT/Logistics Building. In fiscal year 2010, restricted net assets increased \$2.2 million due to commitments made on capital projects. Unrestricted net assets increased \$3.9 million in fiscal year 2011, due to the net effect of the overall increase in net assets, the increase in net investment in capital assets and the decrease in restricted assets. Unrestricted net assets in 2010 increased \$5.1 million due to the net effect of the overall increase in net assets, the decrease in net investment in capital assets and the and the increase in restricted assets.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows is the final statement to be presented. It presents detailed information about the cash activity of the college during the year and provides the reader with the sources and uses of cash by the major categories of operating, non-capital financing, capital and related financing, and investing activities. This statement will always show a net use of cash in the section "Cash Flows from Operating Activities" due to the college's dependence on state and local appropriations.

The statement is divided into five parts. The first section reflects the operating cash flows and shows the net cash used by the operating activities of the college. The second section reflects cash flows from non-operating financing activities. This section shows the cash received and spent for non-operating, non-investing, and non-capital financing activities and addresses the cash used for the acquisition and construction of capital and related items. The third section reflects cash flows from capital and related financing activities and shows the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The final section reconciles the net cash used to the operating loss reflected on the Statement of Revenues, Expenses and Changes in Net Assets.

In fiscal year 2011, cash decreased by approximately \$4.2 million. The net cash flows from operating activities decreased by \$10.4 million resulting from increased payments to vendors and employees and an increase in receivables from state and federal grantors. Cash for fiscal year 2010 increased by approximately \$5.2 million. The net cash flows from operating activities decreased by \$5.0 million primarily from increased payments to vendors and employees.

Cash flows from non-capital financing activity in fiscal year 2011 increased by \$0.6 million as a result of increases in PELL awards which were offset by decreases in state appropriations. In fiscal year 2010 cash flows from non-capital financing activity increased by \$13.3 million as a result of significant increases in PELL awards.

Capital and related financing activities reduced cash for acquisition of capital assets and debt service payments. The change of \$3.7 million in fiscal year 2011 was the net result of an increase in principal payments on capital debt and a decrease in the draw on county bond funds for capital expenditures. The change of \$1.1 million in fiscal year 2010 was the net result of increased interest expenses and additional funds drawn from county bond proceeds.

Net cash used by investing activities during fiscal year 2011 decreased as the college held the level of investment in Certificates of Deposit steady. Net cash used by investing activities during fiscal year 2010 increased as the college purchased additional Certificates of Deposit in an attempt to increase interest income.

Summary of Cash Flows As of June 30, 2011, 2010 and 2009 (in millions)			
	2011	2010	2009
Net cash flow used by operating activities	(57.1)	(46.7)	(41.7)
Net cash flow provided by noncapital financing activities	60.9	60.3	47.0
Net cash used by capital and related financing activities	(8.2)	(4.5)	(5.6)
Net cash provided (used) by investing activities	0.2	(3.9)	1.4
Net increase (decrease) in cash	(4.2)	5.2	1.1
Cash - beginning of year	19.2	14.0	12.9
Cash - end of year	15.0	19.2	14.0

Debt Administration

At June 30, 2010 and 2011, the college's financial statements reflect \$20.8 million and \$19.7 million respectively in (general obligation) bonds payable. These bonds are general obligation bonds of the State backed by the full faith, credit and taxing power of the County of Greenville. Greenville County gives the college capital appropriations to service the debt of the general obligation bonds.

Also outstanding at June 30, 2010 and 2011 are two capital leases payable totaling \$26.8 million and \$24.7 million respectively for the purchase of the McAlister Square Mall, the construction of the first buildings on each of the Greer and Brashier Campuses and Brashier Middle College. State appropriations were designated to cover the debt service on the McAlister Square Mall but reductions in the appropriations have resulted in a shortfall that the college is currently funding. Rental income from the Middle College covers approximately 50 percent of the payments for that lease. For additional information on debt administration, please refer to Notes 15 and 16.

Economic Factors

The State of South Carolina affirmed that the fiscal year ended with a surplus of \$296.5 million including an unobligated surplus of \$122.7 million for the fiscal year ended June 30, 2011. While this news is encouraging, there is no expectation of significant increases in state appropriations in the near future.

In fiscal year 2010-11, appropriations from the state to the college for operations decreased by 14.6 percent. State appropriations for capital expenditures were 25.4 percent lower than the previous year.

Another decrease in state funding for college operations for the 2011-12 fiscal year is expected. The college anticipates a decrease in funding of 3.1 percent or \$0.5 million. While this will create some challenges, the decrease is not nearly as large as the cuts in the prior three years and the college will continue to manage its resources efficiently.

On a positive note, the college will receive \$1.6 million from the state to address some of the college's deferred maintenance needs. Funds will be used for road and parking lot repairs, roof replacements and HVAC system replacements.

As state appropriations have decreased and enrollment growth has leveled off, the college is examining additional sources of revenues. In fiscal year 2010-11, the college leased a portion of its educational broadband licenses and will receive approximately \$6.8 million over the 30 year term of the lease.

While the college makes every effort to keep tuition costs to a minimum, decreasing state appropriations is making the college more dependent on tuition revenues from students. As a result, federal and state financial aid programs are an increasingly important factor in the financial well-being of the college.

Component Unit

It has been determined that the Greenville Tech Foundation is a component unit of Greenville Technical College. The foundation's financial statements are included in this report and supplemental information is included in Note 24. Additional information regarding the Foundation can be obtained by mailing a request to Greenville Tech Foundation, Inc. PO Box 5616, Greenville, SC 29606-5616.



Jacqueline R. DiMaggio
Vice President for Finance



FINANCIAL SECTION:

Basic Financial Statements

INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA

GREENVILLE TECHNICAL COLLEGE
Statement of Net Assets
June 30, 2011 and June 30, 2010

ASSETS	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 15,026,312	\$ 19,202,559
Investments	9,599,674	9,527,757
Accounts Receivable, Net	11,605,621	4,875,206
Bond Proceeds Receivable	316,287	597,742
Inventories	3,565,642	3,072,680
Other Assets	<u>1,033,553</u>	<u>1,577,351</u>
Total Current Assets	<u>41,147,089</u>	<u>38,853,295</u>
NONCURRENT ASSETS		
Federal Perkins Loan Receivable	262	262
Capital Assets, Net of Accumulated Depreciation	<u>100,775,118</u>	<u>102,686,911</u>
Total Noncurrent Assets	<u>100,775,380</u>	<u>102,687,173</u>
Total Assets	<u><u>141,922,469</u></u>	<u><u>141,540,468</u></u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	2,308,269	1,290,691
Accrued Payroll and Related Liabilities	604,193	563,396
Long Term Liabilities - Current Portion	3,509,478	3,343,633
Deferred Revenue	5,373,857	5,105,173
Funds Held for Others	<u>373,772</u>	<u>1,011,943</u>
Total Current Liabilities	<u>12,169,569</u>	<u>11,314,836</u>
NONCURRENT LIABILITIES		
Bonds Payable	18,480,000	19,680,000
Capital Leases Payable	22,750,000	24,940,000
Compensated Absences Payable	<u>3,200,443</u>	<u>3,061,649</u>
Total Noncurrent Liabilities	<u>44,430,443</u>	<u>47,681,649</u>
Total Liabilities	<u><u>56,600,012</u></u>	<u><u>58,996,485</u></u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	56,691,405	55,644,652
Restricted For:		
Expendable:		
Capital Projects	4,063,072	6,297,742
Loans	21,293	21,293
Unrestricted (note 11)	<u>24,546,687</u>	<u>20,580,296</u>
Total Net Assets	<u><u>\$ 85,322,457</u></u>	<u><u>\$ 82,543,983</u></u>

GREENVILLE TECHNICAL COLLEGE
Statement of Revenues, Expenses, and Changes in Net Assets
For the Years Ended June 30, 2011 and June 30, 2010

REVENUES	2011	2010
OPERATING REVENUES		
Student Tuition and Fees (Net)	\$ 29,025,781	\$ 30,307,515
Federal Grants and Contracts	5,593,759	6,227,075
State Grants and Contracts	12,262,899	12,538,718
Sales and Services of Educational Departments	646,839	639,379
Auxiliary Enterprises (Net)	5,766,792	5,948,067
Other Operating Revenues	1,059,622	927,181
Total Operating Revenues	54,355,692	56,587,935
EXPENSES		
OPERATING EXPENSES		
Salaries	47,875,256	47,238,522
Benefits	12,607,130	11,924,571
Scholarships and Fellowships	20,936,713	19,405,001
Utilities	2,842,110	2,730,827
Supplies and Other Services	26,638,080	22,824,660
Depreciation	5,853,045	4,908,497
Total Operating Expenses	116,752,334	109,032,078
Operating Income (Loss)	(62,396,642)	(52,444,143)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	15,033,690	17,595,128
County Appropriations	10,547,851	10,009,941
Interest Income	294,276	218,871
Gain (Loss) on Disposal of Capital Assets	1,448	(401,314)
Interest Expense on Capital Asset Related Debt	(1,738,675)	(2,196,495)
Federal Grants and Contracts	39,650,020	30,734,132
State and Local Grants and Contracts	764,577	1,045,475
Net Nonoperating Revenues	64,553,187	57,005,738
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	2,156,545	4,561,595
State Capital Appropriations	614,729	824,512
Transfers to/from Other State Agencies	7,200	41,052
Increase in Net Assets	2,778,474	5,427,159
NET ASSETS		
Net Assets - Beginning of Year	82,543,983	77,116,824
Net Assets - End of Year	\$ 85,322,457	\$ 82,543,983

GREENVILLE TECHNICAL COLLEGE
Statement of Cash Flows
For the Years Ended June 30, 2011 and June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	2011	2010
Tuition and Fees	\$ 29,309,668	\$ 32,032,091
Federal, State and Local Grants and Contracts	17,073,153	18,507,343
Federal Student Loan Proceeds	54,693,997	51,710,173
Sales and Services of Educational Departments	652,767	728,877
Auxiliary Enterprise Charges	5,273,830	5,939,056
Other Receipts	2,292,754	681,945
Federal Student Loans Disbursed	(57,375,335)	(51,709,917)
Payments to Vendors	(61,316,868)	(56,809,086)
Payments to Employees	(47,672,459)	(47,765,248)
Net Cash Provided (Used) by Operating Activities	<u>(57,068,493)</u>	<u>(46,684,766)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	15,058,254	17,561,956
County Appropriations	10,547,850	10,009,941
State, Local and Federal Grants, Gifts and Contracts - Non Operating	35,308,677	32,713,543
Net Cash Flows Provided by Noncapital Financing Activities	<u>60,914,781</u>	<u>60,285,440</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State Appropriations	738,406	1,034,842
Purchase of Capital Assets	(4,067,945)	(3,979,162)
Expenditure of bond proceeds held by county	312,181	3,537,168
Principal Paid on Capital Debt	(3,240,000)	(2,790,000)
Interest Paid on Capital Debt	(1,926,581)	(2,292,437)
Net Cash Provided by Capital and Related Financing Activities	<u>(8,183,939)</u>	<u>(4,489,589)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	10,798,231	10,774,212
Interest on Investments	161,404	80,344
Purchase of Investments	(10,798,231)	(14,774,212)
Net cash Flows Provided (Used) by Investing Activities	<u>161,404</u>	<u>(3,919,656)</u>
Net Increase (Decrease) in Cash	(4,176,247)	5,191,429
Cash - Beginning of Year	<u>19,202,559</u>	<u>14,011,130</u>
Cash - End of Year	<u>\$ 15,026,312</u>	<u>\$ 19,202,559</u>
Reconciliation of Net Operating Revenue (Expenses) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (62,396,642)	\$ (52,444,143)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	5,853,045	4,908,497
Change in Assets and Liabilities		
Receivables, Net	(2,422,717)	893,657
Inventories	(492,962)	(9,011)
Deferred Charges and Prepaid Expenses	594,520	(98,620)
Accounts Payable	1,166,224	(499,261)
Compensated Absences	154,639	146,268
Deferred Revenue	475,057	416,099
Deposits Held for Others	343	1,748
Net Cash Provided (Used) by Operating Activities	<u>\$ (57,068,493)</u>	<u>\$ (46,684,766)</u>

GREENVILLE TECHNICAL COLLEGE
GREENVILLE TECH FOUNDATION, INC. AND SUBSIDIARIES
Component Unit Statement of Financial Position
For the Years Ended June 30, 2011 and June 30, 2010

ASSETS	<u>2011</u>	<u>2010</u>
Unrestricted cash and cash equivalents	\$ 181,672	\$ 784,770
Restricted cash	2,071,522	1,288,942
Short term investments	-	100,000
Pledges receivable	81,045	45,037
Student loans receivable	6,680	4,777
Accounts receivable, net	256,324	117,782
Prepaid expenses	33,755	28,796
Investments	5,116,124	4,414,871
Property and equipment, net	27,850,891	28,553,538
Cash value of life insurance	32,736	28,544
Charitable remainder trusts receivable	118,049	150,826
Loan costs, net	272,276	282,803
TOTAL ASSETS	<u>\$ 36,021,074</u>	<u>\$ 35,800,686</u>
LIABILITIES		
Accounts payable	167,662	215,639
Deferred income	18,477	300,639
Customer deposits	50,911	71,628
Bonds payable	8,280,000	8,410,000
Notes payable	16,160,586	16,964,106
Interest rate swap	2,080,085	2,337,043
Total Liabilities	<u>\$ 26,757,721</u>	<u>\$ 28,299,055</u>
NET ASSETS		
Unrestricted	2,074,257	1,318,453
Unrestricted – Board designated endowment	<u>1,536,847</u>	<u>1,272,496</u>
Total Unrestricted	3,611,104	2,590,949
Temporarily restricted	1,948,659	1,617,133
Permanently restricted – endowed	<u>3,703,590</u>	<u>3,293,549</u>
Total Net Assets	<u>9,263,353</u>	<u>7,501,631</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 36,021,074</u>	<u>\$ 35,800,686</u>

COMPONENT UNIT OF GREENVILLE TECHNICAL COLLEGE
GREENVILLE TECH FOUNDATION, INC. AND SUBSIDIARIES
Component Unit Consolidated Statement of Activities
for Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions	\$ 117,227	\$ 713,336	\$ 335,664	\$ 1,166,227
Property and equipment donations	210,537	-	-	210,537
Charitable trusts, change in value	423,177	(45)	-	423,132
Interest and dividend income	82,073	119,241	-	201,314
Management fee income	171,000	-	-	171,000
Rental income	4,300,492	-	-	4,300,492
Gain on investments	209,717	332,571	-	542,288
Miscellaneous	358,674	(5,139)	-	353,535
Transfers	(16,518)	(57,859)	74,377	-
Net assets released from restrictions	770,579	(770,579)	-	-
	<u>6,626,958</u>	<u>331,526</u>	<u>410,041</u>	<u>7,368,525</u>
EXPENSES				
College support:				
Scholarships	170,212	-	-	170,212
Student programs	140,374	-	-	140,374
College faculty/staff development	103,439	-	-	103,439
College departmental supplies and activities	135,623	-	-	135,623
Equipment purchases/gifts in kind	299,813	-	-	299,813
Other college support	145,712	-	-	145,712
GTF Brashier Charter School	227,484	-	-	227,484
GTF Student Housing	1,847,719	-	-	1,847,719
Interest expense	1,070,657	-	-	1,070,657
Cost of financing	(204,294)	-	-	(204,294)
Property fees	2,926	-	-	2,926
Total program expenses - college support	<u>3,939,665</u>	<u>-</u>	<u>-</u>	<u>3,939,665</u>
Operations:				
Building and grounds upkeep	452,250	-	-	452,250
Compensation	251,874	-	-	251,874
Depreciation and amortization	366,116	-	-	366,116
Insurance	36,724	-	-	36,724
Investment management fees - UBS	44,040	-	-	44,040
Miscellaneous expense	15,115	-	-	15,115
NEON expenses	1,060	-	-	1,060
Office expenses and supplies	51,195	-	-	51,195
Professional and other fees	136,053	-	-	136,053
Property and other miscellaneous taxes	47,917	-	-	47,917
Software updates/maintenance fee	26,363	-	-	26,363
Telecommunications/user fees	4,180	-	-	4,180
Uncollectible pledges and accounts receivable	6,814	-	-	6,814
Interest expense	43,997	-	-	43,997
Cost of financing	3,617	-	-	3,617
Utilities	108,996	-	-	108,996
Total management and general - operations	<u>1,596,311</u>	<u>-</u>	<u>-</u>	<u>1,596,311</u>
Fundraising expenses	<u>70,827</u>	<u>-</u>	<u>-</u>	<u>70,827</u>
Total expenses	<u>5,606,803</u>	<u>-</u>	<u>-</u>	<u>5,606,803</u>
CHANGE IN NET ASSETS	<u>1,020,155</u>	<u>331,526</u>	<u>410,041</u>	<u>1,761,722</u>
NET ASSETS, BEGINNING OF YEAR	<u>2,590,949</u>	<u>1,617,133</u>	<u>3,293,549</u>	<u>7,501,631</u>
NET ASSETS, END OF YEAR	<u>\$ 3,611,104</u>	<u>\$ 1,948,659</u>	<u>\$ 3,703,590</u>	<u>\$ 9,263,353</u>

COMPONENT UNIT OF GREENVILLE TECHNICAL COLLEGE
GREENVILLE TECH FOUNDATION, INC. AND SUBSIDIARIES
Component Unit Consolidated Statement of Activities
for Year Ended June 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions	\$ 63,077	\$ 676,365	\$ 46,644	\$ 786,086
Property and equipment donations	752,858	-	-	752,858
Charitable trusts, change in value	(87,247)	(952)	-	(88,199)
Interest and dividend income	106,597	150,296	-	256,893
Management fee income	171,000	-	-	171,000
Rental income	4,449,005	-	-	4,449,005
Gain/(loss) on investments	94,693	164,832	-	259,525
Miscellaneous	221,189	8,927	-	230,116
Net assets released from restrictions	597,382	(597,382)	-	-
	<u>6,368,554</u>	<u>402,086</u>	<u>46,644</u>	<u>6,817,284</u>
EXPENSES				
College support:				
Scholarships	196,908	-	-	196,908
Student programs	178,515	-	-	178,515
College faculty/staff development	15,973	-	-	15,973
College departmental supplies and activities	126,154	-	-	126,154
Equipment purchases/gifts in kind	830,267	-	-	830,267
Other college support	97,447	-	-	97,447
GTF Brashier Charter School	190,657	-	-	190,657
GTF Student Housing	1,638,840	-	-	1,638,840
Interest expense	1,800,863	-	-	1,800,863
Cost of financing	563,252	-	-	563,252
Property fees	2,926	-	-	2,926
Total program expenses - college support	<u>5,641,802</u>	<u>-</u>	<u>-</u>	<u>5,641,802</u>
Operations:				
Building and grounds upkeep	449,557	-	-	449,557
Compensation	228,603	-	-	228,603
Depreciation and amortization	406,228	-	-	406,228
Impairment of long lived asset	605,000	-	-	605,000
Insurance	36,824	-	-	36,824
Investment management fees - UBS	70,295	-	-	70,295
Marketing	30,446	-	-	30,446
Miscellaneous expense	3,663	-	-	3,663
NEON expenses	96,670	-	-	96,670
Office expenses and supplies	14,800	-	-	14,800
Professional and other fees	96,010	-	-	96,010
Property and other miscellaneous taxes	43,213	-	-	43,213
Software updates/maintenance fee	23,877	-	-	23,877
Telecommunications/user fees	4,000	-	-	4,000
Uncollectible pledges and accounts receivable	1,537	-	-	1,537
Interest expense	48,726	-	-	48,726
Cost of financing	14,228	-	-	14,228
Utilities	97,304	-	-	97,304
Total management and general - operations	<u>2,270,981</u>	<u>-</u>	<u>-</u>	<u>2,270,981</u>
Fundraising expenses	<u>24,563</u>	<u>-</u>	<u>-</u>	<u>24,563</u>
Total expenses	<u>7,937,346</u>	<u>-</u>	<u>-</u>	<u>7,937,346</u>
CHANGE IN NET ASSETS	<u>(1,568,792)</u>	<u>402,086</u>	<u>46,644</u>	<u>(1,120,062)</u>
NET ASSETS, BEGINNING OF YEAR	<u>4,159,741</u>	<u>1,215,047</u>	<u>3,246,905</u>	<u>8,621,693</u>
NET ASSETS, END OF YEAR	<u>\$ 2,590,949</u>	<u>\$ 1,617,133</u>	<u>\$ 3,293,549</u>	<u>\$ 7,501,631</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations: Greenville Technical College (the “college”), a member institution of the South Carolina Technical College System, provides a range of educational programs to meet the needs of the adult population of Greenville County. Included in this range of programs are technical and occupational associate degree, diploma and certificate curricula that are consistent with the needs of employers in the college’s service area. As an integral part of this mission, the college provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading the skills of individual employees. The college also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives.

B. Reporting Entity: The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of Greenville Technical College, as the primary government, and the accounts of Greenville Tech Foundation, Inc. (the “Foundation”), its component unit. The college is part of the primary government of the State of South Carolina. However, based on the nature and significance of the Foundation’s relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

The Foundation is a legally separate, tax-exempt component unit of the college. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the college in support of its programs. The 35-member Board of the Foundation is self-perpetuating and consists of community leaders, friends of the college, and graduates. Although the college does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon, which the Foundation holds and invests are restricted to the activities of the college by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the college, the Foundation is considered a component unit of the college. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation’s operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s financial information in the college’s financial reporting entity for these differences. However, significant note disclosures to the Foundation’s financial statements have been incorporated into the college’s notes to the financial statements. (See Note R within this Summary of Significant Accounting Policies and Note 24.)

Financial statements for the Foundation can be obtained by mailing a request to Greenville Tech Foundation, Inc. PO Box 5616, MS 6002, Greenville, SC 29606-5616.

C. Financial Statements: The financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation required by GASB Statements No. 34 and No. 35 provides a comprehensive, entity-wide perspective of the college’s assets, liabilities, net assets, revenues, expenses, changes in net assets and cash flows that replaces the fund-group perspective previously required.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

D. Basis of Accounting: For financial reporting purposes, the college is considered a special-purpose government engaged only in business-type activities. Accordingly, the college's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and auxiliary enterprise fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship expenses. All significant intra-institutional transactions have been eliminated. The college has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

E. Cash and Cash Equivalents: For purposes of the statement of cash flows, the college considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's Office are considered cash equivalents.

F. Investments: Deposits and investments for the college are governed by the South Carolina Code of Laws, Section 11-9-660 "Investment of Funds" *GASB Statement No. 40, Deposits and Investment Risk Disclosures – an amendment to GASB Statement No. 3*, requires disclosures related to deposit risks, such as custodial credit risk, and investment risks, such as credit risk (including custodial credit risk and concentrations of credit risks) and interest rate risk. The college accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the fair value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net assets.

G. Accounts Receivable: Accounts receivable consists of tuition and fee charges to students, gift pledges and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the college's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

H. Inventories: Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis.

I. Capital Assets: Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The college follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions, renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The college capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements and 2 to 25 years for machinery, equipment, and vehicles. A full year of depreciation is taken the year the asset is placed in service and no depreciation is taken in the year of disposition.

J. Deferred Revenues and Deposits: Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include prepaid rent for the college's broadband licenses that will be recognized over the life of the lease. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

J. Deferred Revenues and Deposits, continued

Deposits represent student fee refunds and other miscellaneous deposits. Student deposits are recognized as revenue during the semester for which the fee is applicable and earned when the deposit is nonrefundable to the student under the forfeit terms of the agreement.

K. Compensated Absences: Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of long-term liabilities in the statement of net assets and as a component of benefit expenses in the statement of revenues, expenses, and changes in net assets.

L. Net Assets: The college's net assets are classified as follows:

Invested in capital assets, net of related debt: This represents the college's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net assets - expendable: Restricted expendable net assets include resources in which the college is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the college, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

The college policy for applying expenses that can use both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources and then to unrestricted resources.

M. Income Taxes: The college is exempt from income taxes under the Internal Revenue Code.

N. Classification of Revenues and Expenses: The college has classified its revenues and expenses as either operating or non-operating according to the following criteria:

Operating revenues and expenses: Operating revenues generally result from exchange transactions to provide goods or services related to the college's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services and other related services to students; (2) receipts for scholarships where the provider has identified the student recipients; (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the college; and (4) grants and contracts that are essentially the same as contracts for services that finance programs the college would not otherwise undertake. Operating expenses include all expense transactions, incurred other than those related to investing, non capital or non capital financing activities.

Non-operating revenues and expenses: Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes. Due to the administrative involvement with Pell grant requirements and because Pell grants are non-exchange transactions, Pell grant receipts are recorded as non-operating revenues. The college implemented this change in the 2010 fiscal year.

O. Sales and Services of Educational and Other Activities: Revenues from sales and services of educational and other activities generally consist of amounts received from instructional activities that

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

O. Sales and Services of Educational and Other Activities, continued

incidentally create goods and services which may be sold to students, faculty, staff, and the general public. The college receives such revenues primarily from Child Care Center operations.

P. Auxiliary Enterprises and Internal Service Activities: Auxiliary enterprise revenues primarily represent revenues generated by bookstore and food services. Revenues of internal service and auxiliary enterprise activities and the related expenditures of college departments have been eliminated.

Q. Capitalized Interest: The college capitalizes as a component of construction in progress interest cost in excess of earnings on debt associated with capital projects that will be capitalized in the applicable capital asset categories upon completion. In the fiscal year ended June 30, 2011, the college incurred \$1,978,445 of interest expense, of which \$1,738,675 was charged to expense, \$135,342 was capitalized, and \$104,428 was booked to reflect a decrease in bond interest payable. In the fiscal year ended June 30, 2010, the college incurred \$2,345,260 of interest expense, of which \$2,196,495 was charged to expense, \$122,961 was capitalized, and \$25,804 was booked to reflect a decrease in bond interest payable.

R. Component Unit: The Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors. Accordingly, net assets and changes therein are classified as follows:

Permanently Restricted Net Assets: Permanently Restricted Net Assets are subject to donor-imposed stipulations that require them to be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Temporarily Restricted Net Assets: Temporarily Restricted Net Assets are subject to donor-imposed stipulations that will be met by actions of the Foundation and/or passage of time.

Unrestricted Undesignated Net Assets: Unrestricted Undesignated Net Assets are not subject to donor-imposed stipulations that will be met by actions of the Foundation and/or passage of time.

Unrestricted Designated Net Assets: Unrestricted Designated Net Assets are not subject to donor-imposed restrictions but subject to Foundation Board imposed stipulations.

Revenues are reported as increases in unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in-kind gifts from outside sources are not recorded in the Foundation's financial records, but are accounted for and acknowledged separately.

Expenses are reported as decreases in unrestricted undesignated or unrestricted designated net assets as appropriate. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted undesignated or unrestricted designated net assets unless their use is restricted by explicit donor stipulation or by law.

Investments are reported at fair value based upon quoted market prices.

S. Restatement of 2010 Financial Statements: The college restated the Net Assets section of the college's Statement of Net Assets to eliminate the encumbrances and inventories from Restricted Expendible Net Assets. Both encumbrances and inventories are now listed on Note 11 of the college's financial statements.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

T. Subsequent Events: On July 26, 2011 Greenville County Council issued General Obligation Bonds in the amount of \$5,615,000 for the construction of an Information Technology/Logistics building to be located on the Barton campus. The bonds will be payable from an ad valorem tax levied within Greenville County.

NOTE 2 - STATE APPROPRIATIONS

Non-Capital Appropriations	2011	2010
Current Years Appropriations:		
Per Annual Appropriations Act	\$ 14,659,861	\$ 17,151,445
Greenville Regional Education Center	110,548	-
Nursing Salary Enhancements	-	64,217
SC Education Lottery Technology Funds	263,281	379,466
Total Non-Capital Appropriations Recorded as Current Year Revenue	\$ 15,033,690	\$ 17,595,128
 Capital Appropriations		
Current Years Appropriations:		
Per Annual Appropriations Act University Center	\$ 614,729	\$ 824,512
Total Capital Appropriations Recorded as Current Year Revenue	\$ 614,729	\$ 824,512

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS

DEPOSITS:

State Law requires that a bank or savings and loan association receiving State funds must secure the deposits by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against any loss.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that that a government will not be able to recover deposits if the depository financial institution fails to recover the value of collateral securities that are in the possession of an outside party if the counterparty to the deposit transaction fails.

Greenville Technical College's Numbered Memorandum 4-17 states that it is the policy of Greenville Technical College to invest all available funds in accounts that will provide maximum return on investment with the least possible risk. Funds will only be deposited with financial institutions that are insured and guaranteed by FDIC, or other Federal or State Regulatory Agencies. There have not been any violations of these policies.

The deposits for Greenville Technical College at June 30, 2011, were \$19,050,125. Of these, \$0 was exposed to custodial credit risk as uninsured and uncollateralized. The balance of \$19,050,125 was collateralized with securities held by the pledging institution in the college's name. The deposits for Greenville Technical College at June 30, 2010, were \$24,318,363. Of these, \$0 was exposed to custodial credit risk as uninsured and uncollateralized. The balance of \$24,318,363 was collateralized with securities held by the pledging institution in the college's name.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS

DEPOSITS, continued

Restricted cash includes \$21,293 held for debt service reserve funds at June 30, 2011 and includes \$21,031 held for debt service reserve funds at June 30, 2010.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Greenville Technical College does not maintain deposits that are denominated in a currency other than the United States dollar; therefore, the college is not exposed to this risk.

INVESTMENTS:

The college is authorized, by the South Carolina Code of Laws, Section 11-9-660, to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements.

The college's investments at June 30, 2011 and June 30, 2010, which are not with the State Treasurer's Office are presented below. All investments are presented by investment type and debt securities are presented by maturity.

Greenville Technical College Investments				
Investment Maturities (in years)				
Investment Type	Fair Value			
	Amount	Less than 1	1-5	6-10
				More than 10
2011 Debt Securities				
Federal Home Loan Bonds	\$ 9,599,674	\$9,599,674		
2010 Debt Securities				
Federal Home Loan Bonds	\$ 9,527,757	\$9,527,757		

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the college will not be able to recover the investments value or collateral securities that are in the possession of an outside party.

The college's policy concerning custodial credit risk is to invest all available funds in accounts that will provide maximum return on investment with the least possible risk. Funds will only be deposited with financial institutions that are insured and guaranteed by FDIC, or other Federal or State Regulatory Agencies. There have not been any violations of these policies.

At June 30, 2011, the investments for Greenville Technical College were \$9,599,674. Of these, \$0 was exposed to custodial credit risk as uninsured and uncollateralized. The balance of \$9,599,674 was collateralized with securities held by the pledging institution in the college's name. At June 30, 2010, the investments for Greenville Technical College were \$9,527,757. Of these, \$0 was exposed to custodial credit risk as uninsured and uncollateralized. The balance of \$9,527,757 was collateralized with securities held by the pledging institution in the college's name. The college recognized no losses due to the default by counterparts to investment transactions.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS , continued

Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations.

The college's policy concerning custodial credit risk is to invest all available funds in accounts that will provide maximum return on investment with the least possible risk. Funds will only be deposited with financial institutions that are insured and guaranteed by FDIC, or other Federal or State Regulatory Agencies. There have not been any violations of these policies.

The college's rated debt investment as of June 30, 2011 and June 30, 2010 were rated by Moody's Investors Service and are listed below using the Moody's Investors Service rating scale.

Greenville Technical College Rated Debt Investments at June 30, 2011 and 2010

Rated Debt Investments	Fair Value	Quality Ratings				
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>A1</u>	<u>Unrated</u>
2011 U.S. Agencies.....	\$ 9,599,674				\$ 9,599,674	
2010 U.S. Agencies.....	\$ 9,527,757				\$ 9,527,757	

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The college does not have a policy on concentration of credit risk.

The college had debt securities investment at June 30, 2011 and June 30, 2010, with not more than 5 percent of the total investments in securities of any agency or entity.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. It occurs because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. The college does not have a policy concerning interest rate risk.

For the years ended June 30, 2011 and June 30, 2010 , the previous tables show the investments by the specific method.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Greenville Technical College does not maintain investments that are denominated in a currency other than the United States dollar; therefore, the college is not exposed to this risk.

The following schedule reconciles cash and investments as reported on the Statement of Net Assets to footnote disclosure provided for deposits and investments.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS , continued

Foreign Currency Risk, continued

<u>Statement of Net Assets:</u>	<u>2011</u>	<u>2010</u>
Cash and Cash Equivalents:		
Unrestricted	\$ 15,005,263	\$ 19,181,528
Restricted	\$ 21,049	\$ 21,031
Total Cash and Cash Equivalents	<u>\$ 15,026,312</u>	<u>\$ 19,202,559</u>
Investments:		
Certificates of Deposit	<u>\$ 9,599,674</u>	<u>\$ 9,527,757</u>
 <u>Disclosure, Deposits and Investments:</u>		
Cash and Cash Equivalents		
Demand Deposit Accounts	\$ 14,751,257	\$ 18,934,408
Held by State Treasurer	\$ 264,055	\$ 257,151
Cash on Hand	\$ 11,000	\$ 11,000
Total Cash and Cash Equivalents	<u>\$ 15,026,312</u>	<u>\$ 19,202,559</u>
Investments:		
Certificates of Deposit	<u>\$ 9,599,674</u>	<u>\$ 9,527,757</u>

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2011 and June 30, 2010, are summarized as follows:

	<u>2011</u>	<u>2010</u>
Student Accounts	\$ 376,702	\$ 1,413,602
Other Federal Grantors	5,665,776	2,398,310
Due from State	5,526,322	1,025,216
Accrued interest	36,717	34,046
Greenville Tech Foundation	-	-
Other	104	4,032
Net Accounts Receivable	<u>\$ 11,605,621</u>	<u>\$ 4,875,206</u>

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2011, the allowance for uncollectible student accounts is valued at \$5,218,380. At June 30, 2010, the allowance for uncollectible student accounts was valued at \$4,346,898.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 5 – BOND PROCEEDS RECEIVABLE

At June 30, 2011, bond proceeds receivable of \$316,287 relate to the proceeds of the 2007 Greenville County General Obligation Bonds. These bonds were issued on October 16, 2007 to finance the construction of a second welding instruction area at the college, the renovation of the Student Center Building and the renovation of the auditorium in the University Transfer Building. The bond proceeds are on deposit with the Greenville County Treasurer's Office and are drawn down as expenditures are made on the construction projects. Interest earned on the escrow account totaled \$30,727 for the fiscal year ended June 30, 2011. During the year ended June 30, 2011, project expenditures totaling \$312,182 were drawn from the proceeds.

At June 30, 2010, bond proceeds receivable of \$597,742 relate to the proceeds of the 2007 Greenville County General Obligation Bonds. These bonds were issued on October 16, 2007 to finance the construction of a second welding instruction area at the college, the renovation of the Student Center Building and the renovation of the auditorium in the University Transfer Building. The bond proceeds are on deposit with the Greenville County Treasurer's Office and are drawn down as expenditures are made on the construction projects. Interest earned on the escrow account totaled \$49,746 for the fiscal year ended June 30, 2010. During the year ended June 30, 2010, project expenditures totaling \$3,537,304 were drawn from the proceeds.

For more information on the bond, refer to Note 15.

NOTE 6 - PLEDGES RECEIVABLE

The college has no pledges receivable during the years ended June 30, 2011 or June 30, 2010.

NOTE 7 - LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program comprise all of the loans receivable as of June 30, 2011 and June 30, 2010. The Perkins Loan program provides various repayment options; students have the right to repay the loans over periods up to 10 years depending on the amount of the loan and loan cancellation privileges the student may exercise. These loans are broken down into two classifications, those payments that will be received within the following fiscal year are classified as "current portion of loans receivable". The remaining payments are classified as long-term loans receivable. As the college determines that loans are uncollectible, the loans are written off and assigned to the US Dept of Education. At June 30, 2011 and June 30, 2010, the college has made no allowance for uncollectible student loans.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 8—CAPITAL ASSETS

The activity in the college's capital assets for the fiscal year ended June 30, 2011 are as follows:

	Beginning Balance 30-Jun-10	Increases	Transfers	Decreases	Ending Balance 30-Jun-11
Capital assets not being depreciated:					
Land	8,758,885		58,250		8,817,135
Land Improvements	5,440,859	-			5,440,859
Construction in progress	2,620,506	2,215,970	(2,976,093)		1,860,383
Total capital assets not being depreciated	16,820,250	2,215,970	(2,917,843)	-	16,118,377
Other capital assets:					
Buildings and improvements	126,189,911		2,917,843		129,107,754
Machinery, equipment, and other	11,922,650	1,240,135		(114,359)	13,048,426
Depreciable Land Improvements	2,166,587				2,166,587
Vehicles	1,426,304	491,586			1,917,890
Total other capital assets at historical cost	141,705,452	1,731,721	2,917,843	(114,359)	146,240,657
Less accumulated depreciation for:					
Buildings and improvements	(43,552,552)	(4,310,877)			(47,863,429)
Machinery, equipment, and other	(9,940,555)	(1,291,469)		107,920	(11,124,104)
Depreciable Land Improvements	(1,056,483)	(86,909)			(1,143,392)
Vehicles	(1,289,201)	(163,790)			(1,452,991)
Total accumulated depreciation	(55,838,791)	(5,853,045)	-	107,920	(61,583,916)
Capital Assets, Net	102,686,911	(1,905,354)	-	(6,439)	100,775,118

The Gain (Loss) on Disposal of Assets consisted of the following:

Gain on sale of asset	\$ 7,887
Loss on Disposal	(6,439)
Net Gain (Loss) on Disposals	<u>\$ 1,448</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 8—CAPITAL ASSETS, continued

The activity in the college's capital assets for the fiscal year ended June 30, 2010 are as follows:

	Beginning Balance 1-Jul-09	Increases	Transfers	Decreases	Ending Balance 30-Jun-10
Capital assets not being depreciated:					
Land	8,758,885				8,758,885
Land Improvements	5,440,859				5,440,859
Construction in progress	1,057,611	3,735,871	(1,690,596)	(482,380)	2,620,506
Total capital assets not being depreciated	15,257,355	3,735,871	(1,690,596)	(482,380)	16,820,250
Other capital assets:					
Buildings and improvements	116,998,524	8,410,000	1,338,767	(557,380)	126,189,911
Machinery, equipment, and other	11,419,087	836,249		(332,686)	11,922,650
Depreciable Land Improvements	1,814,758		351,829		2,166,587
Vehicles	1,421,670	53,435		(48,801)	1,426,304
Total other capital assets at historical cost	131,654,039	9,299,684	1,690,596	(938,867)	141,705,452
Less accumulated depreciation for:					
Buildings and improvements	(40,192,180)	(3,516,438)		156,066	(43,552,552)
Machinery, equipment, and other	(9,072,769)	(1,200,472)		332,686	(9,940,555)
Depreciable Land Improvements	(969,574)	(86,909)			(1,056,483)
Vehicles	(1,233,325)	(104,677)		48,801	(1,289,201)
Total accumulated depreciation	(51,467,848)	(4,908,496)	-	537,553	(55,838,791)
Capital Assets, Net	95,443,546	8,127,059	-	(883,694)	102,686,911

The Gain (Loss) on Disposal of Assets consisted of the following:

Elimination of Construction in process that did not meet capitalization threshold	\$ (482,380)
Loss on Disposal	(401,314)
Net Gain (Loss) on Disposals	<u>\$ (883,694)</u>

NOTE 9 - PENSION PLAN(S)

The Retirement Division of the State Budget and Control Board maintains four independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to Financial Services, SC Retirement Services, PO Box 11960, Columbia, SC 29211. Furthermore, the Retirement System and the four pension plans are included in the CAFR of the State of South Carolina.

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan. Employee and employer contribution rates for the South Carolina Retirement System and the Police Officers Retirement System are actuarially determined. Annual benefits, payable monthly for life, are based on length of service and on average final compensation.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 9 - PENSION PLAN(S), continued

South Carolina Retirement System

The majority of employees of Greenville Technical College are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division, a public employee retirement system. Generally all State employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group-life insurance benefits to eligible employees and retirees.

From July 1, 1988 to June 30, 2005, employees participating in the SCRS were required to contribute 6.0 percent of all compensation. On July 1, 2005 the required employee contribution increased to 6.25 percent.

On July 1, 2007, the required employee contribution increased to 6.50 percent. Effective July 1, 2010, the employer contribution rate became 13.14 percent which included a 3.90 percent surcharge to fund retiree health and dental insurance coverage. The college's actual contributions to the SCRS for the three most recent fiscal years ending June 30, 2011, 2010, and 2009, were \$2,908,186, \$2,799,712, and \$2,798,017 respectively, and equaled the required contributions of 9.24 percent (excluding the surcharge) for the fiscal years 2011, 2010, and 2009. Also, the college paid employer group-life insurance contributions of \$47,211, \$45,450, and \$45,422 for the three most recent fiscal years ending June 30, 2011, 2010, and 2009, respectively, at the rate of 0.15 percent of compensation.

Police Officers Retirement System

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple-employer defined benefit public employee retirement plan administered by the Retirement Division. Generally all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment. This plan provides annuity benefits as well as disability and group-life insurance benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Since July 1, 1988, employees participating in the PORS have been required to contribute 6.5 percent of all compensation. Effective July 1, 2008, the employer contribution rate became 14.15 percent which, as for the SCRS, included the 3.50 percent surcharge. The college's actual contributions to the PORS for the years ending June 30, 2011, 2010, and 2009, were \$31,266, \$22,537, and \$21,033, respectively, and equaled the required contributions of 11.13 percent (excluding the surcharge) for the year ending June 30, 2011 and 10.65 percent (excluding the surcharge) for the years ending June 30, 2010 and 2009. Also, the college paid employer group-life insurance contributions of \$562, \$423, and \$395 and accidental death insurance contributions of \$562, \$423, and \$395 for the three most recent fiscal years ending June 30, 2011, 2010, and 2009, respectively, for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

Optional Retirement Program

The State Optional Retirement Program (State ORP) was first established as the Optional Retirement Program for Higher Education in 1987. In its current form, the State ORP is an alternative to the defined benefit SCRS plan offered to certain state, public school and higher education employees of the State. The State ORP, which is administered by the South Carolina Retirement Systems, is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 9 - PENSION PLAN(S), continued

investment providers. The State assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers and are governed by the terms of the contracts issued by them.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.24 percent plus the retiree surcharge of 3.50 percent from the employer in fiscal year 2011 and 2010.

Employees are eligible for group-life insurance benefits while participating in the State ORP. However, employees who participate in the State ORP are not eligible for postretirement group-life insurance benefits. For the fiscal year 2011, total contribution requirements to the ORP were \$799,598 (excluding the surcharge) from Greenville Technical College as employer and \$562,488 from its employees as plan members. In addition, the college paid to the SCRS employer group-life insurance contributions of \$12,980 in the current fiscal year at the rate of 0.15 percent of compensation. For the fiscal year 2010, total contribution requirements to the ORP were \$773,380 (excluding the surcharge) from Greenville Technical College as employer and \$544,045 from its employees as plan members. In addition, the college paid to the SCRS employer group-life insurance contributions of \$12,555, \$12,389 in the two prior fiscal years at the rate of 0.15 percent of compensation.

Deferred Compensation Plans

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the college have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Teacher and Employee Retention Incentive

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2005, employees who choose to participate in the TERI program will be required to make SCRS contributions. Due to the South Carolina Supreme Court Decision in *Layman et.al. v. South Carolina Retirement System and the State of South Carolina*, employees who chose to participate in the TERI Program prior to July 1, 2005 will not be required to make SCRS contributions.

NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS

a. Plan Description

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. "Agency" contributes to the Retiree Medical Plan (RMP) and the Long-term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB). Generally, retirees are eligible for

NOTE 10 - POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS, continued

the health and dental benefits if they have established at least ten years of retirement service credit. For new hires May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

b. Funding Policies

Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 3.90 percent of annual covered payroll for 2011 and 3.50 percent of annual covered payroll for 2010. The EIP sets the employer contribution rate based on a pay-as-you-go basis. "Agency" paid approximately \$1,575,929 and \$1,360,851 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2011 and 2010, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to EIP was \$3.22 for the fiscal year ended June 30, 2011 and \$3.23 for the fiscal year ended June 30, 2010.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions.

One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, SC 29201.

NOTE 11 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS

The college is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of college management, there are no material claims or lawsuits against the college that are not covered by insurance or whose settlement would materially affect the college's financial position.

The college participates in certain Federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

Necessary funding has been obtained for the construction of the IT/Logistics Building on the Barton campus, the Animal Science Building on the Northwest campus, and the renovation of the Student Center. The Student Center renovation was completed in the fall of 2010 and was capitalized in the same fiscal year. At June 30, 2011 and June 30, 2010, the college had remaining commitment balances of approximately \$4,063,073 and \$374,759 respectively on original contracts of \$5,923,456 and \$2,711,943, respectively with engineering firms and construction contractors. Other projects, which are not to be capitalized when completed, are for replacements, repairs, and/or renovations to existing facilities. There were no remaining commitment balances with certain parties related to these projects at June 30 2011,

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 11 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS, continued

and June 30, 2010. The college anticipates funding these projects out of current resources, current and future bond issues, federal grants, private gifts, student fees, and state capital improvement bond proceeds.

OTHER CAPITAL PROJECTS

Other capital projects, which are not to be capitalized when completed, are for replacements, repairs, and/or renovations to existing facilities.

Unrestricted Net Assets

Planned Uses of Unrestricted Net Assets are as follows:

	6/30/2011	6/30/2010
Operating Reserve	\$ 14,405,112	\$ 14,225,050
Operating Contingency	850,000	750,000
Encumbrances	667,741	1,172,612
Inventories	3,565,642	3,072,680
Other Construction Project Costs	5,058,192	1,359,954
Total	<u>\$ 24,546,687</u>	<u>\$ 20,580,296</u>

NOTE 12 - LEASE OBLIGATIONS

Capital Leases

Certificates of Participation

Greenville County entered into a lease-purchase obligation for the building of the Brashier and Greer campuses and issued Certificates of Participation for these projects. The County subleases these facilities to the college for the same cash flows necessary to pay their Certificate obligations. While the lease is contingent upon the annual appropriation of the funds by the County Council for payment of the annual lease payments, the chances of non-appropriation are remote. The college will receive title to the buildings at the end of the lease. The college therefore accounts for this lease as a capital lease.

Lease payments made under this agreement in the year ending June 30, 2011 were \$602,797.

On October 8, 2010 the 1995/1998 Certificate of Participation was refunded by Greenville County and replaced with the Series 2010 Refunding Certificate of Participation. This refunding reduced the yearly payments by approximately \$140,000 and resulted in a reduction of \$1.2 million in total future payments.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 12 - LEASE OBLIGATIONS, continued

Capital Leases, continued

Lease payments made under this agreement in the year ending June 30, 2011 were \$847,205. Lease payments for the remainder of the lease are as follows:

<i>2010 Refunding Certificate of Participation</i>	<u>Capital Leases With External Parties</u>
<u>Year Ended June 30</u>	
2012	\$ 1,048,976
2013	1,052,870
2014	1,046,154
2015	1,049,072
2016	1,046,380
2017-2019	3,147,620
Total Minimum Payments	<u>8,391,072</u>
Less: Interest and Executory Costs	<u>851,072</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 7,540,000</u></u>

Lease payments made under this agreement in the year ending June 30, 2010 were \$1,192,315. Lease payments for the remainder of the lease are as follows:

<i>1995 Certificate of Participation</i>	<u>Capital Leases With External Parties</u>
<u>Year Ended June 30</u>	
2011	\$ 1,189,850
2012	1,190,310
2013	1,193,410
2014	1,188,850
2015	1,191,338
2016-2019	4,768,962
Total Minimum Payments	<u>10,722,720</u>
Less: Interest and Executory Costs	<u>2,177,720</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 8,545,000</u></u>

In August, 1999 Greenville County entered into an obligation for the lease-purchase of a portion of a retail shopping center in Greenville and issued Certificates of Participation to cover the purchase price of Greenville Technical College's portion of the purchase. The remainder of the facility was purchased by the Greenville Tech Foundation, Inc. at fair market value. Upon completion of renovations in December, 2000, the Greenville University Center was relocated to this new facility from other premises owned by the college, and subleases the renovated space. The state appropriated funds in the capital bond bill to cover the renovation costs. The State Legislature included in the budget appropriated funds for a portion of the sublease payments for the University Center, which are, in turn, used to pay a portion of the lease payments for the Certificates of Participation and a portion of the operation and maintenance of the portion of the facility subleased by the University Center. The college accounts for this lease as a capital lease.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 12 - LEASE OBLIGATIONS, continued

Capital Leases, continued

These Certificates of Participation were partially refunded by Greenville County on February 23, 2005, with the refunded portion of the Series 1999 being replaced by Series 2005. With this transaction, the combined outstanding principle of the lease was increased by \$720,000, and the total future payments under the lease were reduced by \$1,167,084.

Lease payments made under this agreement in the year ending June 30, 2011 amounted to \$1,348,838.

Lease payments for the remainder of the lease are as follows:

*2005 Refunding Certificates of Participation &
non refunded portion of 1999*

<u>Year Ended June 30</u>	<u>Capital Leases With External Parties</u>
2012	\$ 1,345,488
2013	1,345,175
2014	1,343,475
2015	1,343,375
2016	1,345,375
2017-2019	4,039,000
Total Minimum Payments	<u>10,761,888</u>
Less: Interest and Executory Costs	<u>2,265,725</u>
Present Value of Net Minimum Lease Payments	<u>\$ 8,496,162</u>

Lease payments made under this agreement in the year ending June 30, 2010 amounted to \$1,351,437.

Lease payments for the remainder of the lease are as follows:

*2005 Refunding Certificates of Participation &
non refunded portion of 1999*

<u>Year Ended June 30</u>	<u>Capital Leases With External Parties</u>
2011	\$ 1,348,838
2012	1,345,488
2013	1,345,175
2014	1,343,475
2015	1,343,375
2016-2019	5,384,375
Total Minimum Payments	<u>12,110,725</u>
Less: Interest and Executory Costs	<u>2,265,725</u>
Present Value of Net Minimum Lease Payments	<u>\$ 9,845,000</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 12 - LEASE OBLIGATIONS, continued

Capital Leases, continued

The carrying value of the property associated with the leases is:

	2011	2010
<i>Carrying Value of Assets under Capital Leases</i>	Capital Leases With External Parties	Capital Leases With External Parties
Assets acquired under capital leases		
Land and improvements	\$ 5,440,859	\$ 5,440,859
Buildings and improvements	\$ 26,100,338	\$ 26,100,338
Assets acquired under capital leases before accumulated amortization	31,541,197	31,541,197
Less: accumulated amortization	(9,163,663)	(8,500,656)
Assets acquired under capital leases, net	\$ 22,377,534	\$ 23,040,541

On May 13, 2008 Greenville Technical College entered into a capital lease with the Brashier Middle College, LLC, a wholly owned subsidiary of the Greenville Tech Foundation. The lease began July 1, 2009. The lease is for a 53,000 square foot building which is being constructed by the Brashier Middle College, LLC and financed with Jobs- Economic Development Authority Revenue Bonds. The term of the lease is 30 years; the lease payments will be equal to the debt service of the bonds. At the end of the lease, the building will become the property of the college. The related operating leases are discussed below.

During the fiscal year ending June 30, 2011, lease payments in the amount of \$549,398 were made to Brashier Middle College, LLC. During the fiscal year ending June 30, 2010, lease payments in the amount of \$585,656 were made to Brashier Middle College, LLC.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 12 - LEASE OBLIGATIONS, continued

Capital Leases, continued

Lease payments for the remainder of the lease are estimated as follows:

<i>Brashier Middle College Lease</i>	Capital Leases
<i>Estimated Payments</i>	<i>With Component Unit</i>
<u>Year Ended June 30</u>	
2012	\$ 559,676
2013	562,807
2014	560,384
2015	557,730
2016	559,818
2017-2021	2,790,152
2022-2026	2,777,175
2027-2031	2,759,042
2032-2036	2,730,572
2037-2040	2,183,034
Total Minimum Payments	<u>\$ 16,040,390</u>
Less: Interest and Executory Costs	<u>7,760,390</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 8,280,000</u></u>

	2011	2010
<i>Carrying Value of Assets under Capital Leases with Component Units</i>	<i>Capital Leases With Component Units</i>	<i>Capital Leases With Component Units</i>
Assets acquired under capital leases		
Buildings and improvements	\$ 8,410,000	\$ 8,410,000
Assets acquired under capital leases before accumulated amortization	<u>8,410,000</u>	<u>8,410,000</u>
Less: accumulated amortization	(560,667)	(280,333)
Assets acquired under capital leases, net	<u><u>\$ 7,849,333</u></u>	<u><u>\$ 8,129,667</u></u>

Operating Leases

Operating lease payments to external parties were \$107,727 and \$30,054 for fiscal years 2011 and 2010, respectively.

Greenville Technical College entered into two operating lease agreements on May 13, 2008 related to the construction of the Brashier Middle College building on the Brashier Campus. The first was a ground lease with the Brashier Charter, LLC, a wholly owned subsidiary of the Greenville Tech Foundation (LLC). The LLC leased approximately 5 acres of land on the college's Brashier Campus. The lease payment is \$1.00 per year for the 31 year term. The LLC secured an \$8.4 million Jobs-Economic Development Authority Revenue Bonds to build a building on the site. The building will be jointly used by the college

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 12 - LEASE OBLIGATIONS, continued

Operating Leases, continued

and Brashier Middle College, a Charter High School that is currently located on the campus. The lease between the Brashier Middle College, LLC and the college is discussed in Capital Leases above.

The second operating lease is the corresponding sublease with the Brashier Middle College Charter High School to operate and use the facilities for approximately 35 hours per week. The lease payments by Brashier Middle College will be directly related to the debt service. The cost was 37.5 percent for the first year and 50 percent of the debt service for the second year. In years three and beyond, the lease payment will be renegotiated based on a prorated share of the debt service based on the usage of the building.

On May 13, 2008, the college entered into a ground lease with Greenville County Recreation District for 19.49 acres at the college's Northwest campus for a term of 20 years. The County built soccer and baseball fields on the site for use by the community and the college. The annual rent for the land is \$1.00

On August 31, 2010, the college, as a licensee of Educational Broadband Service Channels, entered into a long-term lease agreement to lease the excess capacity of the G channel group to Clearwire Spectrum Holdings, III, LLC. This lease was approved by the Federal Communication Commission on September 17, 2010 and became effective October 13, 2010. The college recognized \$18,171 in revenue from this lease during the year ended June 30, 2011, as included in the other non-operating revenues in the Statement of Revenues, Expenses, and Changes in Net Assets. The total anticipated revenue to the college is \$1,280,044, based on renewal options and escalation clauses over the maximum 30 year term of the lease.

On August 31, 2010, the college, as a licensee of Educational Broadband Service Channels, entered into a long-term lease agreement to lease the excess capacity of the D channel group to Independent Spectrum Greenville, LLC. This lease was approved by the Federal Communication Commission on November 10, 2010 and became effective December 29, 2010. The college recognized \$54,366 in revenue from this lease during the year ended June 30, 2011, as included in the other non-operating revenues in the Statement of Revenues, Expenses, and Changes in Net Assets. The total anticipated revenue to the college is \$6,508,673, based on renewal options and escalation clauses over the maximum 30 year term of the lease.

There were no lease payments to other state agencies or blended component units.

Operating Leases with external parties

At June 30, 2011, liabilities for future years are as follows:

Year Ended June 30	Operating Leases with External Parties
2012	245,769
2013	220,262
2014	220,581
2015	220,912
2016	144,521
Total	<u>\$ 1,052,045</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 12 - LEASE OBLIGATIONS, continued

Operating Leases with external parties, continued

At June 30, 2010, liabilities for future years are as follows:

Year Ended June 30	Operating Leases with External Parties
2011	25,947
2012	10,325
2013	-
2014	-
2015	-
Total	<u>\$ 36,272</u>

Facilities Leased to Others at June 30, 2011

	Operating leases with discretely presented component units	Operating leases with external parties
Land and improvements	\$ 89,740	\$ 296,931
Buildings and improvements	-	9,174,218
Less: Accumulated Depreciation	-	(1,038,303)
Total Carrying Value	<u>\$ 89,740</u>	<u>\$ 8,432,846</u>

Facilities Leased to Others at June 30, 2010

	Operating leases with discretely presented component units	Operating leases with external parties
Land and improvements	\$ 89,740	\$ 296,931
Buildings and improvements	-	9,174,218
Less: Accumulated Depreciation	-	(738,864)
Total Carrying Value	<u>\$ 89,740</u>	<u>\$ 8,732,285</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 12 - LEASE OBLIGATIONS, continued

Operating Leases with external parties, continued

Future minimum payments to be received:

Operating Lease Revenue at June 30, 2011

Year Ended June 30	Operating leases with discretely presented component units	Operating leases with external parties
2012	\$ 2	\$ 463,240
2013	2	418,144
2014	2	418,144
2015	2	418,144
2016	2	440,227
2017-2021	10	2,307,754
2022-2026	10	2,538,147
2027-2031	10	2,768,485
2032-2036	9	3,067,541
2037-2040	2	2,915,024
Total	<u>\$ 51</u>	<u>\$ 15,754,850</u>

Future minimum payments to be received:

Operating Lease Revenue at June 30, 2010

Year Ended June 30	Operating leases with discretely presented component units	Operating leases with external parties
2011	\$ 2	\$ 327,290
2012	2	276,002
2013	2	276,002
2014	2	276,002
2015	2	276,002
2016-2020	10	1,380,010
2021-2025	10	1,380,010
2026-2030	10	1,380,008
2031-2035	10	1,380,001
2036-2039	2	1,104,000
Total	<u>\$ 52</u>	<u>\$ 8,055,327</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 13 - SHORT-TERM DEBT

The college had no short-term debt during the year ended June 30, 2011 or the year ended June 30, 2010.

NOTE 14 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2011, are summarized as follows:

Payables:	2011	2010
Accounts Payable Trade	\$ 1,967,617	\$ 827,203
Student Refunds	17,793	21,847
Accrued bond interest payable	309,671	414,099
Indirect Costs Payable	13,188	27,542
Total Accounts Payable	<u>\$ 2,308,269</u>	<u>\$ 1,290,691</u>
State Retirement withholding payable	580,046	\$ 560,909
Other withholdings	24,147	2,487
Total Payroll Liabilities	<u>\$ 604,193</u>	<u>\$ 563,396</u>

NOTE 15 – BONDS AND NOTES PAYABLE

Bonds Payable

Bonds payable consisted of the following at June 30, 2011:

	Rates	Dates	Original Debt	Balance
General Obligation Bonds				
Series 2002	3.5% to 5.0%	4/1/2012	\$ 5,875,000	\$ 245,000
Series 2005	3.5% to 4.4%	4/1/2026	11,565,000	9,335,000
Series 2005A	3.5% to 4.4%	4/1/2024	7,430,000	6,340,000
Series 2007	4.0% to 4.5%	4/1/2028	4,200,000	3,760,000
Total Bonds Payable			<u>\$ 29,070,000</u>	<u>\$ 19,680,000</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 15 – BONDS AND NOTES PAYABLE, continued

Bonds Payable, continued

Bonds payable consisted of the following at June 30, 2010:

	<u>Rates</u>	<u>Dates</u>	<u>Original Debt</u>	<u>Balance</u>
General Obligation Bonds				
Series 2002	3.5% to 5.0%	4/1/2012	\$ 5,875,000	\$ 480,000
Series 2005	3.5% to 4.4%	4/1/2026	11,565,000	9,805,000
Series 2005A	3.5% to 4.4%	4/1/2024	7,430,000	6,640,000
Series 2007	4.0% to 4.5%	4/1/2028	4,200,000	3,915,000
Total Bonds Payable			<u>\$ 29,070,000</u>	<u>\$ 20,840,000</u>

The Series 2005 bonds were used for the construction of a building on its Northwest Campus that was partially funded by a \$2,000,000 grant from the Economic Development Administration (EDA). As a condition of the grant, the college entered into a twenty year mortgage agreement on the property with the EDA. The mortgage creates a contingent liability that would be imposed in the event that Greenville Technical College acted in a manner prohibited by the award. According to the agreement, the college may not transfer or convey, including leasing the property, without the written consent of the EDA. The college must maintain insurance coverage and must keep the property in good condition. The possibility of this mortgage resulting in a liability for the college is remote. Therefore, the contingent liability is not reflected in the college's financial statements.

The college amortizes bond issue or refinance costs over the remaining life of the bonds. The book value of these costs at June 30, 2011 is as follows:

Bond Issue and Refinance Costs	June 30, 2010	Additions	Expense Amortized 2011	June 30, 2011
2005 General Obligation Bond	\$ 45,500		\$ 3,250	\$ 42,250
Certification of Participation Refinance 1998 and 2002 General Obligation Bond Refinance	432,000		63,278	368,722
	247,500		16,500	231,000
2007 General Obligation Bond	67,500		3,750	63,750
2010 Certificate of Participation	-	137,500	15,278	122,222
Total Bond Issue and Refinance Costs	<u>\$ 792,500</u>	<u>\$ 137,500</u>	<u>\$ 102,056</u>	<u>\$ 827,944</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 15 – BONDS AND NOTES PAYABLE, continued

Bonds Payable, continued

The college amortizes bond issue or refinance costs over the remaining life of the bonds. The book value of these costs at June 30, 2010 is as follows:

Bond Issue and Refinance Costs	June 30, 2009	Additions	Expense	
			Amortized 2010	June 30, 2010
2005 General Obligation Bond	\$ 48,750		\$ 3,250	\$ 45,500
Certification of Participation Refinance	480,000		48,000	432,000
1998 and 2002 General Obligation Bond Refinance	264,000		16,500	247,500
2007 General Obligation Bond	71,250		3,750	67,500
Total Bond Issue and Refinance Costs	<u>\$ 864,000</u>	<u>\$ -</u>	<u>\$ 71,500</u>	<u>\$ 792,500</u>

The college recognized a liability for prepaid interest related to the refinance of the 1999 Certificates of Participation. This revenue is recognized annually over the life of the refinance. In October 2010 the 1999 Certificate of Participation was refunded and therefore the remaining revenue was recognized in fiscal year 2011. A summary of the activity for the fiscal year ended June 30, 2011 is as follows:

<u>Revenue from Refinance</u>	Interest Income		
	<u>June 30, 2010</u>	<u>Recognized 2011</u>	<u>June 30, 2011</u>
Deferred Revenue - 1999 Certificate of Participation	\$ 168,097	168,097	0

A summary of the activity for the fiscal year ended June 30, 2010 is as follows:

<u>Revenue from Refinance</u>	Interest Income		
	<u>June 30, 2009</u>	<u>Recognized 2010</u>	<u>June 30, 2010</u>
Deferred Revenue - 1999 Certificate of Participation	\$ 186,775	18,678	168,097

Greenville County bonds are general obligation bonds of the County and are backed by the full faith, credit and taxing power of the County. The County supports the operations of the college with annual appropriations sufficient to meet the annual debt service requirements of the bonds.

The scheduled maturities of the bonds payable by type at June 30, 2011 are as follows:

Greenville County Bonds	Principal	Interest	Payments
2012	\$ 1,200,000	804,382	2,004,382
2013	1,225,000	759,557	1,984,557
2014	1,270,000	712,208	1,982,208
2015	1,325,000	663,107	1,988,107
2016	1,370,000	609,207	1,979,207
2017-2021	6,525,000	2,219,777	8,744,777
2022-2026	6,180,000	896,479	7,076,479
2027-2028	585,000	39,469	624,469
Total	<u>\$ 19,680,000</u>	<u>6,704,188</u>	<u>26,384,188</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 15 – BONDS AND NOTES PAYABLE, continued

Bonds Payable, continued

The scheduled maturities of the bonds payable by type at June 30, 2010 are as follows:

Greenville County Bonds	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2011	\$ 1,160,000	847,707	2,007,707
2012	1,200,000	804,382	2,004,382
2013	1,225,000	759,557	1,984,557
2014	1,270,000	712,208	1,982,208
2015	1,325,000	663,107	1,988,107
2016-2020	6,640,000	2,486,937	9,126,937
2021-2025	6,355,000	1,165,107	7,520,107
2026-2028	1,665,000	112,889	1,777,889
Total	<u><u>\$ 20,840,000</u></u>	<u><u>7,551,894</u></u>	<u><u>28,391,894</u></u>

Notes Payable

The college had no notes payable at the year ended June 30, 2011 or the year ended June 30, 2010.

NOTE 16 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2011 follows:

	<u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2011</u>	<u>Due Within One Year</u>
Bonds and Notes Payable					
County Bonds	\$ 20,840,000		1,160,000	19,680,000	1,200,000
Capital Lease Obligations	26,800,000	8,290,000	10,370,000	24,720,000	1,970,000
Accrued Compensated Absences	3,385,282	1,700,809	1,546,171	3,539,920	339,478
Total Long-Term Liabilities	<u><u>\$ 51,025,282</u></u>	<u><u>9,990,809</u></u>	<u><u>13,076,171</u></u>	<u><u>47,939,920</u></u>	<u><u>3,509,478</u></u>

Long-term liability activity for the year ended June 30, 2010 follows:

	<u>June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2010</u>	<u>Due Within One Year</u>
Bonds and Notes Payable					
County Bonds	\$ 21,955,000	-	1,115,000	20,840,000	1,160,000
Capital Lease Obligations	20,065,000	8,410,000	1,675,000	26,800,000	1,860,000
Accrued Compensated Absences	3,239,014	1,672,872	1,526,604	3,385,282	323,633
Total Long-Term Liabilities	<u><u>\$ 45,259,014</u></u>	<u><u>10,082,872</u></u>	<u><u>4,316,604</u></u>	<u><u>51,025,282</u></u>	<u><u>3,343,633</u></u>

Additional information regarding Bonds Payable is included at Note 15, and additional information regarding Capital Lease Obligations is included at Note 12.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 17 - RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS

Certain separately chartered legal entities whose activities are related to those of the college exist primarily to provide financial assistance and other support to the college and its educational program. Financial statements for these entities are audited by independent auditors and retained by them. They include the Greenville Tech Foundation, Inc. The activities of these entities are not included in the college's financial statements. However, the college's statements include transactions between the college and these related parties.

Management reviewed its relationship with the Foundation under the existing guidance of GASB Statement No. 14, as amended by GASB 39. Because of the nature and the significance of its relationship with the college, the Foundation is considered a component unit of the college.

Following is a more detailed discussion of the Foundation and a summary of significant transactions between this entity and the college for the year ended June 30, 2011.

The Greenville Tech Foundation, Inc.

The Foundation is a separately chartered corporation organized exclusively to receive and manage private funds for the exclusive benefit and support of the college. The Foundation's activities are governed by its Board of Directors.

The college recorded non-governmental gifts receipts of \$124,485 from the Foundation in non-operating revenues for the fiscal year ending June 30, 2011 and \$138,146 for the fiscal year ended June 30, 2010.

These funds were used to support college programs such as scholarships. The Foundation reimburses the college for any purchases made by the college on behalf of the Foundation.

The Foundation's net assets as of June 30, 2011 were \$9,263,353. The Foundation's net assets as of June 30, 2010 were \$7,501,631.

Related party receivables and payables as of June 30, 2011 and June 30, 2010 are as follows:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Due from the Foundation	\$ -	\$ 15,463
Due to the Foundation	\$ -	\$ -

NOTE 18 - RISK MANAGEMENT

The college is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several state funds accumulate assets and the State itself assumes substantially all the risk for the following claims of covered employees:

- Unemployment compensation benefits
- Worker's compensation benefits for job-related illnesses or injuries
- Health and dental insurance benefits
- Long-term disability and group-life insurance benefits

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 18 - RISK MANAGEMENT, continued

Employees elect health insurance coverage through either a health maintenance organization or through the State's self-insured plan.

The college and other entities pay premiums to the State's Insurance Reserve Fund (IRF), which issues policies, accumulates assets to cover the risk of loss, and pays claims incurred for covered losses relating to the following activities:

- Theft, damage to, or destruction of assets
- Real property, its contents, and other equipment
- Motor vehicles and watercraft
- Torts
- Natural disasters
- Medical malpractice claims against the Infirmary

The IRF is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The IRF's rates are determined actuarially.

The college obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation.

NOTE 19 – REVENUES

Revenues for tuition and fees and auxiliary enterprise services are shown in the statement of Revenues, Expenses and Changes in Net Assets, net of scholarship allowances and bad debt expense. The detail is as follows:

	<u>2011</u>	<u>2010</u>
Total Student Tuition and Fees	54,860,467	55,570,140
Less: Scholarship Allowance	(24,955,811)	(23,423,766)
Less: Bad Debt Expense	(878,875)	(1,838,859)
Student Tuition and Fees, net	<u>\$ 29,025,781</u>	<u>\$ 30,307,515</u>
Auxiliary Enterprises Revenue	9,074,341	8,979,192
Less: Scholarship Allowance	(3,163,160)	(2,740,291)
Less: Bad Debt Expense	(144,389)	(290,834)
Auxiliary Enterprises, net	<u>\$ 5,766,792</u>	<u>\$ 5,948,067</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 20 - OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2011 are summarized as follows:

	Salaries	Benefits	Scholarships	Utilities	Supplies and Other Services	Depreciation	Total
Instruction	\$ 30,826,110	7,890,813	-	-	6,869,293	-	45,586,216
Academic Support	6,074,118	1,745,048	-	-	2,872,767	-	10,691,933
Student Services	3,724,741	1,065,656	-	-	2,316,271	-	7,106,668
Operation and Maintenance of							
Plant	3,342,952	794,866	-	2,842,110	4,208,466	-	11,188,394
Institutional Support	3,620,838	1,054,402	-	-	2,894,572	-	7,569,812
Scholarships & Fellowships	-	-	20,936,713	-	-	-	20,936,713
Auxiliary Enterprises	286,497	56,345	-	-	7,476,711	-	7,819,553
Depreciation	-	-	-	-	-	5,853,045	5,853,045
Total Operating Expenses	<u>\$ 47,875,256</u>	<u>12,607,130</u>	<u>20,936,713</u>	<u>2,842,110</u>	<u>26,638,080</u>	<u>5,853,045</u>	<u>116,752,334</u>

Operating expenses by functional classification for the year ended June 30, 2010 are summarized as follows:

	Salaries	Benefits	Scholarships	Utilities	Supplies and Other Services	Depreciation	Total
Instruction	\$ 29,394,993	7,165,430	-	-	6,679,667	-	43,240,090
Academic Support	6,832,797	1,903,530	-	-	3,125,580	-	11,861,907
Student Services	3,872,739	1,048,140	-	-	1,819,242	-	6,740,121
Operation and Maintenance of							
Plant	3,484,141	768,242	-	2,730,827	2,987,587	-	9,970,797
Institutional Support	3,354,841	981,243	-	-	1,043,317	-	5,379,401
Scholarships & Fellowships	-	-	19,405,001	-	-	-	19,405,001
Auxiliary Enterprises	299,011	57,986	-	-	7,169,267	-	7,526,264
Depreciation	-	-	-	-	-	4,908,497	4,908,497
Total Operating Expenses	<u>\$ 47,238,522</u>	<u>11,924,571</u>	<u>19,405,001</u>	<u>2,730,827</u>	<u>22,824,660</u>	<u>4,908,497</u>	<u>109,032,078</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 21 – STATEMENT OF ACTIVITIES

**REQUIRED INFORMATION ON BUSINESS - TYPE ACTIVITIES
FOR INCLUSION IN STATE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDING JUNE 30, 2011**

	<u>2011</u>	<u>2010</u>	<u>Increase/ (Decrease)</u>
Charges for services	\$ 53,296,070	\$ 55,660,754	\$ (2,364,684)
Operating grants and contributions	51,256,724	42,008,419	9,248,305
Other Operation Revenue	1,059,622	927,181	132,441
Capital grants and contributions		-	-
Less: expenses	<u>(118,489,561)</u>	<u>(111,629,887)</u>	<u>(6,859,674)</u>
Net program revenue (expense)	<u>(12,877,145)</u>	<u>(13,033,533)</u>	<u>156,388</u>
Transfers:			
State appropriations	15,033,690	17,595,128	(2,561,438)
State capital appropriations	614,729	824,512	(209,783)
Other transfers in from state agencies/ funds	<u>7,200</u>	<u>41,052</u>	<u>(33,852)</u>
Total general revenue and transfers	<u>15,655,619</u>	<u>18,460,692</u>	<u>(2,805,073)</u>
Change in net assets	<u>2,778,474</u>	<u>5,427,159</u>	<u>(2,648,685)</u>
Net assets-beginning	<u>82,543,983</u>	<u>77,116,824</u>	<u>5,427,159</u>
Net assets-ending	<u>\$ 85,322,457</u>	<u>\$ 82,543,983</u>	<u>\$ 2,778,474</u>

NOTE 22 – TRANSACTIONS WITH OTHER AGENCIES

The college had significant transactions with the State of South Carolina and various agencies.

Services received at no cost from State agencies include maintenance of certain accounting records by the Comptroller General; check preparation, banking, bond trustee, and investment services from the State Treasurer; and legal services from the Attorney General.

Other services received at no cost from the various offices of the State Budget and Control Board include pension plan administration, insurance plans administration, grant services, personnel management, assistance in the preparation of the State Budget, review and approval of certain budget amendments, procurement services, and other centralized functions.

NOTE 23 – NON-OPERATING STABILIZATION EXPENSES BY FUNCTION

The college incurred expenditures of \$5,755,768 during fiscal year 2011 and \$819,970 during fiscal year 2010 under American Recovery and Reinvestment Act (ARRA) funding. These funds were awarded to the college via pass-through funding from the U.S Department of Education (State Fiscal Stabilization Funds), U.S. Department of Labor (Workforce Investment Act), U.S. Department of Energy (State Energy Program), and U.S. Department of Social Services (Childcare Career Development). The schedules below list the individual funds and expenses by functional classification.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 23 – NON-OPERATING STABILIZATION EXPENSES BY FUNCTION, continued

Fund	Funds Expensed Through	
	June 30, 2011	June 30, 2010
ARRA - Federal College Work Study	\$ -	\$ 122,250
ARRA - Solar Energy Training Center	18,936	411
ARRA - Geothermal Training Center	6,477	-
ARRA - Stabilization Funds	5,142,789	91,252
ARRA - SEP Energy Project	58,591	150,540
ARRA - BTOP Broadband Technology	202,323	4,984
ARRA - QuickJobs Adult Program	85,721	-
ARRA - QuickJobs Youth Activities	-	79,607
ARRA - QuickJobs Dislocated Workers	38,450	108,152
ARRA - Childcare Career Development	196,933	255,316
ARRA - ABC Material Grant	39	7,458
ARRA - ABC Child Care Program	5,509	-
Total expenditures incurred	<u>\$ 5,755,768</u>	<u>\$ 819,970</u>

Expenses by functional classification for the year ended June 30, 2011 are shown below.

	Supplies and Other						Total
	Salaries	Benefits	Scholarships	Utilities	Services	Depreciation	
Instruction	\$ 48,199	10,971	-	-	342,873	-	\$ 402,043
Academic Support	10,670	2,650	-	-	200,514	-	213,834
Student Services	-	-	-	-	1,435	-	1,435
Operation and Maintenance of Plant	-	-	-	-	2,050,256	-	2,050,256
Institutional Support	-	-	-	-	3,039,962	-	3,039,962
Scholarships & Fellowships	-	-	48,238	-	-	-	48,238
Auxiliary Enterprises	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Total Non-Operating Stabilization Expenses	<u>\$ 58,869</u>	<u>13,621</u>	<u>48,238</u>	<u>-</u>	<u>5,635,040</u>	<u>-</u>	<u>\$ 5,755,768</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 23 – NON-OPERATING STABILIZATION EXPENSES BY FUNCTION, continued

Expenses by functional classification for the year ended June 30, 2010 are shown below.

	Salaries	Benefits	Scholarships	Utilities	Supplies and Other Services	Deprecation	Total
Instruction	\$ 207,279	17,511	-	-	348,404	-	\$ 573,194
Academic Support	3,893	1,091	-	-	83,692	-	88,676
Student Services	-	-	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	158,100	-	158,100
Institutional Support	-	-	-	-	-	-	-
Scholarships & Fellowships	-	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Total Non-Operating Stabilization Expenses	<u>\$ 211,172</u>	<u>18,602</u>	<u>-</u>	<u>-</u>	<u>590,196</u>	<u>-</u>	<u>\$ 819,970</u>

NOTE 24 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION

The college's component unit, Greenville Tech Foundation, Inc. is a separate legal entity. The Foundation issues its own audited financial statements. The consolidated statements of financial position and statement of activities are shown on pages 38, and 39-40, respectively. Following are the footnotes associated with those statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization: Greenville Tech Foundation, Inc. (the "Foundation") was founded in 1973 in Greenville, South Carolina as an eleemosynary organization. The primary objective of the Foundation is to support education at Greenville Technical College (the "College") through financial assistance to the College and its students. During December 2002, the Foundation formed a wholly owned subsidiary, GTF McAlister, LLC to manage the daily operations of the McAlister Square facility. In 2004, the Foundation formed a wholly owned subsidiary, GTF Student Housing, LLC. This subsidiary is responsible for the building and maintenance of student housing on the Greenville Technical College campus. Student housing opened during the fall semester of 2006. During 2008, the Foundation formed a wholly owned subsidiary, Brashier Charter, LLC. This subsidiary is responsible for the construction of a classroom building and gymnasium on the Brashier Campus of Greenville Technical College. Construction began on this project in the fall of 2008, and the building opened in August 2009. In April 2010, the Foundation formed a wholly owned subsidiary, New Economic Opportunity Network, LLC ("NEON"). The mission of NEON is to assist community and economic development in South Carolina using the Federal New Markets Tax Credit program.

Basis of Accounting: The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Revenues are recognized when earned and expenditures are recognized when incurred.

NOTE 24 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Income Taxes: The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”). However, any income from activities not directly related to the Foundation’s tax-exempt purpose would be subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A). The Foundation is classified by the Internal Revenue Service as a Section 509(a)(3) functionally integrated Type III supporting organization. Tax exempt status arises from the fact that the Foundation’s sole reason for existence is as a support organization for Greenville Technical College.

NEON is a C-Corporation and is subject to income taxes. Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. No provision for income taxes has been recorded in the accompanying financial statements.

The Financial Accounting Standards Board (“FASB”) has updated generally accepted accounting principles (GAAP) to clarify the accounting for uncertainty in income taxes recognized in a Foundation’s financial statements. GAAP now prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Guidance was also provided on de-recognition of tax benefits, classification on the balance sheet, interest and penalties, accounting in interim periods, and disclosure.

Management has evaluated the tax positions of the Foundation and does not believe that any uncertain tax positions or unrecognized tax benefits exist for the years ended June 30, 2011 and 2010. The Foundation’s policy is to report accrued interest related to unrecognized tax benefits, when applicable, as interest expense and to report penalties as other expense. With few exceptions, the Foundation is no longer subject to income tax examinations by the U. S. federal, state or local tax authorities for years before 2007.

Principles of Consolidation: The consolidated financial statements include the accounts of the Foundation and its wholly owned subsidiaries, GTF McAlister, LLC, GTF Student Housing, LLC, Brashier Charter, LLC and New Economic Opportunity Network, LLC. All material intra-entity accounts and transactions have been eliminated.

Accounting for Contributions: Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met either by action of the Foundation and/or passage of time.
- Permanently restricted net assets - Net assets required by the donor to be held in perpetuity.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION – GREENVILLE TECH FOUNDATION, continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Contributions of assets and equipment other than cash are recorded at their estimated fair value.

During the years ended June 30, 2011 and 2010, the Foundation did not capitalize any donations of property and equipment received. The Foundation received noncash equipment donations of \$210,537 and \$752,858 during the years ended June 30, 2011 and 2010, respectively. The noncash equipment contributions were in turn used by Greenville Technical College and are reported in Equipment purchases/gifts-in-kind in the Consolidated Statement of Activities - Program Expenses - College Support for the years ended June 30, 2011 and 2010.

Cash and Cash Equivalents: For purposes of the statements of cash flows, the Foundation considers cash accounts which are not subject to withdrawal restrictions or penalties, money market accounts and certificates of deposit with original maturities of 90 days or less to be cash and cash equivalents.

Investments: In accordance with FASB ASC 958-320 Not-for-Profit Entities Investments – Debt and Equity Securities, the Foundation records investments at fair value. Realized and unrealized gains and losses are reported on the consolidated statements of activities. See Note S for discussion of fair value measurements.

Accounts Receivable: GTF McAlister, LLC's management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made.

GTF Student Housing, LLC leases housing units to students of Greenville Technical College. The subsidiary's accounts receivable are due from the students and are generally uncollateralized. Management closely monitors outstanding accounts receivable and establishes an allowance for doubtful accounts for any balances that are determined to be uncollectible. As of June 30, 2011 and 2010, the subsidiary established an allowance for doubtful accounts in the amount of \$53,022 and \$57,150, respectively.

Student Loans Receivable: Student loans receivable are unsecured short-term loans made to College students typically for periods of 2 to 6 months. These loans bear no interest if paid on a timely basis. If payments are late, the loans bear 1.5% interest monthly as well as a one-time late fee in the first late month. In management's opinion, no allowance for uncollectible student loans receivable is necessary.

Pledges Receivable: Pledges receivable are recorded when the donor makes a promise to give. In management's opinion, no allowance for uncollectible pledges receivable is necessary.

Charitable Remainder Trusts Receivable: Charitable remainder trusts represent assets that are currently held in trust for the benefit of designated income beneficiaries. Upon the death of the beneficiaries or designation by the agreement, the assets held in trust will be distributed to the Foundation based upon the provisions of the trust, principally for unrestricted use. The value of assets and liabilities of the charitable remainder trusts is estimated using a discount rate for each individual trust. Under these trusts, the Foundation is not the trustee. Therefore, a receivable is recorded based on the current fair value of the assets in the trust in the year in which the Foundation is notified of the gift's

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

existence. The receivable is adjusted to the net present value based on expected growth, payouts and discount rate over the expected lives of the creators.

Property and Equipment: The Foundation follows the practice of capitalizing all purchases for land, building and equipment in excess of \$1,000. The fair value of any donated land, buildings and equipment is similarly capitalized. Donations of equipment consisting of auto and aircraft parts used in the maintenance programs at the college are generally not capitalized due to the nature and use of these items. Instead, the parts are recorded as college support expense. The cost of buildings, leasehold improvements and equipment is depreciated over the estimated useful lives of the related assets.

Depreciation is computed using the straight-line method as follows:

Buildings and leasehold improvements	40 years
Furniture and fixtures, equipment, automobiles and aircraft	3 -10 years

Donations of property and equipment are recorded as support at their estimated fair values on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions for cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Contributions: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of the donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (when the stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Transfers: Transfers primarily consist of changes received from donors as to donor-imposed stipulations and contribution reclassification for establishment of endowments when contributed amounts meet the endowment criteria for required funding levels.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications: Certain amounts from the prior year have been reclassified during the current year for ease of comparison on the financial statements. These reclassifications resulted in no change to the previously reported net assets or changes in net assets of the Foundation.

Subsequent Events: Management has evaluated subsequent events through September 1, 2011, which is the date that these financial statements were available to be issued.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

B. RESTRICTED CASH

In relation to the Student Housing construction project, the financial institution required the Foundation to establish a Capital Repairs, Replacement and Maintenance Fund with the financial institution. Monies are deposited into this fund on a monthly basis to fund the cost of capital expenditures associated with the operations of the project. Disbursements from this capital fund shall be approved by the financial institution prior to any disbursements to the Foundation. At June 30, 2011 and 2010, cash restricted for this purpose totaled \$305,947 and \$239,710, respectively.

Student Housing restricted cash also includes funds received as security deposits paid by tenants totaling \$32,211 and \$75,553 at June 30, 2011, and 2010, respectively.

In relation to the Brashier Charter, LLC Economic Development Revenue Bonds (Note M), the financial institution required the Foundation to maintain a debt service account to cover the minimum debt service payments on the bonds. At June 30, 2011 and 2010, cash restricted for this purpose totaled \$147,160 and \$142,109, respectively. Additionally, the Foundation was required to establish a Capital Repairs, Replacement and Maintenance Fund with a financial institution. Monies are deposited into this fund on a monthly basis to fund the cost of capital expenditures associated with the operations of the project. At June 30, 2011 and 2010, cash restricted for this purposes totaled \$10,542 and \$5,246, respectively.

The Foundation is holding cash balances restricted-by donors in the amount of \$762,510 and \$654,196 as of June 30, 2011 and 2010, respectively. The Foundation also holds restricted cash funds of \$813,152 and \$172,128 as of June 30, 2011 and 2010, respectively, in its investment accounts.

C. CONCENTRATION OF CREDIT RISK

The Foundation maintains cash balances at several financial institutions. Interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, plus an unlimited amount on non interest bearing accounts. The cash balances held in broker accounts are insured by the Securities Investor Protection Corporation to a maximum of \$100,000. At times the Foundation's cash balances on deposit at these financial institutions are in excess of the federally insured limits.

D. PLEDGES RECEIVABLE

The pledges receivable are unconditional and due over five years. Uncollectible promises are expected to be insignificant. Pledges are discounted using a net present value calculation and an effective rate of 3.50%.

Unconditional promises to give as of June 30 are:

	<u>2011</u>	<u>2010</u>
Receivable in less than one year	\$ 46,650	\$ 31,106
Receivable in one to five years	39,783	14,779
	<u>86,433</u>	<u>45,885</u>
Less: discount to net present value	(5,388)	(848)
Pledges receivable (net)	<u>\$ 81,045</u>	<u>\$ 45,037</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

E. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30:

	<u>2011</u>	<u>2010</u>
Accounts receivable, trade	\$ 45,755	\$ 35,818
Student housing leases receivable	263,591	139,114
Less: Allowance for loss	(53,022)	(57,150)
Accounts receivable (net)	<u>\$ 256,324</u>	<u>\$ 117,782</u>

F. CASH SURRENDER VALUE OF LIFE INSURANCE

The Foundation is the owner and beneficiary of several life insurance policies with aggregate cash surrender values of \$32,736 and \$28,544 at June 30, 2011 and 2010, respectively.

G. CHARITABLE REMAINDER TRUSTS RECEIVABLE

The Foundation is the beneficiary of several charitable remainder trusts with aggregate values of \$118,049 and \$150,826 at June 30, 2011 and 2010, respectively. During the year, one of the trusts reached the termination of its annuity period, resulting in cash paid to the Foundation in the amount of \$453,548.

H. INVESTMENTS

Investments of the Foundation are recorded at fair value as determined by quoted market prices.

The fair values and respective cost basis of investments at June 30, 2011 and 2010 are as follows:

	<u>2011</u>			<u>2010</u>		
	Fair Value	Cost	Unrealized Appreciation / (Depreciation)	Fair Value	Cost	Unrealized Appreciation / (Depreciation)
US Government securities	\$ 966,379	\$ 929,592	\$ 36,787	\$ 1,143,865	\$ 1,077,476	\$ 66,389
Mutual funds	691,239	638,209	53,030	588,043	545,626	42,417
Corporate bonds	785,438	737,399	48,039	794,207	728,499	65,708
Mortgage backed securities	363,343	231,192	132,151	352,102	331,394	20,708
Common stocks	2,309,725	1,931,082	378,643	1,536,654	1,585,957	(49,303)
	<u>\$ 5,116,124</u>	<u>\$ 4,467,474</u>	<u>\$ 648,650</u>	<u>\$ 4,414,871</u>	<u>\$ 4,268,952</u>	<u>\$ 145,919</u>

The composition of the investment return for the years ended June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Interest and dividends	\$ 201,314	\$ 256,893
Fees	(44,040)	(70,295)
Unrealized/realized gains (losses)	542,288	259,525
	<u>\$ 699,562</u>	<u>\$ 446,123</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

I. ENDOWMENT

The Foundation's endowment funds consist of approximately 111 individual funds established for a variety of purposes.

The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Endowment net asset composition by type of fund as of June 30, 2011:

	Unrestricted	Unrestricted Board Designated	Temporarily Restricted	Permanently Restricted – Corpus	Total
Endowment Funds	\$ -	\$ 1,536,847	\$ 249,011	\$ 3,703,590	\$ 5,489,448

Endowment Net Asset Composition by Type of Funds as of June 30, 2010:

	Unrestricted	Unrestricted Board Designated	Temporarily Restricted	Permanently Restricted – Corpus	Total
Endowment Funds	\$ -	\$ 1,272,496	\$ (68,499)	\$ 3,293,549	\$ 4,497,546

Changes in Endowment Net Assets for the Year Ended June 30:

	Unrestricted	Unrestricted Board Designated	Temporarily Restricted	Permanently Restricted – Corpus	Total
Endowment net assets, June 30, 2009	\$ -	\$ 1,420,538	\$ (265,766)	\$ 3,246,905	\$ 4,401,677
Investment return:					
Investment income (loss), net	-	43,213	85,510	-	128,723
Change in value of CSV and CRUTs	-	(87,247)	(444)	-	(87,691)
Net appreciation (depreciation)					
realized and unrealized	-	52,527	164,843	-	217,370
Contributions	-	4,428	-	46,644	51,072
Appropriations of endowment assets for expenditure	(213,555)	-	-	-	(213,555)
Net Assets					
released from restrictions	213,555	(160,963)	(52,592)	-	-
Endowment net assets, June 30, 2010	-	1,272,496	(68,449)	3,293,549	4,497,596
Investment return:					
Investment income (loss), net	-	29,899	91,922	-	121,821
Change in value of CSV and CRUTs	-	423,177	(57)	-	423,120
Net appreciation (depreciation)					
realized and unrealized	-	112,151	332,558	-	444,709
Contributions	-	2,750	-	335,664	338,414
Transfers	-	-	-	74,377	74,377
Appropriations of endowment assets for expenditure	(410,589)	-	-	-	(410,589)
Net Assets					
released from restrictions	410,589	(303,626)	(106,963)	-	-
Endowment net assets, June 30, 2011	\$ -	\$ 1,536,847	\$ 249,011	\$ 3,703,590	\$ 5,489,448

NOTE 24 – COMPONENT UNIT INFORMATION, continued

I. ENDOWMENT, continued

Interpretation of relevant law

During 2008 the South Carolina Legislature enacted the South Carolina Uniform Prudent Management of Institutional Funds Act. The Board of Directors has interpreted this act as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Greenville Tech Foundation, Inc. classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by the South Carolina Uniform Prudent Management of Institutional Funds Act. In accordance with this act, the organization considers the following facts in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of Greenville Tech Foundation, Inc. and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

Return objectives and risk parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that achieve a target rate of return of 5% net of fees.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that seeks to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy

The Foundation has a policy of appropriating for distribution each year up to 5 percent of its endowment fund's average fair value over the prior 4 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 3 percent annually. This is consistent with Greenville Tech Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

J. INTANGIBLE ASSETS

In July of 2008, Brashier Charter, LLC was granted variable rate Economic Development Revenue bonds of \$8,410,000 by the South Carolina Jobs - Economic Development Authority to construct a classroom building and gymnasium on the Brashier Campus of Greenville Technical College. Bond issuance costs of \$189,600 were reimbursed by the bond proceeds and will be amortized over the life of the bonds.

Effective March 1, 2010, GTF Student Housing, LLC's Economic Development Revenue Bonds were converted to a note payable, and the remaining unamortized balance of the bond issuance costs of \$436,170 was written off as a cost of financing. Loan costs related to the note payable of \$107,241 were capitalized and will be amortized over the life of the note.

The Foundation's loan costs consisted of the following at June 30, 2011 and 2010:

	2011	2010
Loan Costs	\$ 296,841	\$ 296,841
Less: Accumulated Amortization	(24,565)	(14,038)
	<u>\$ 272,276</u>	<u>\$ 282,803</u>

Amortization for the years ended June 30, 2011 and 2010 was \$10,527 and \$24,820, respectively.

Future amortization expense of these loan costs for the years ending June 30 are:

2012	\$ 10,498
2013	10,498
2014	10,498
2015	10,498
2016	10,498
Thereafter	219,786
	<u>\$ 272,276</u>

K. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at June 30, 2011:

	Greenville Tech Foundation, Inc	GTF McAlister, LLC	GTF Student Housing, LLC	Brashier Charter, LLC	Consolidated
Furniture and fixtures	\$ 4,000	\$ -	\$ 731,713	\$ -	\$ 735,713
Equipment	425,520	36,409	-	-	461,929
Automobiles and aircraft	107,000	-	-	-	107,000
Buildings	-	2,198,633	15,256,202	8,280,396	25,735,231
Leasehold improvements	-	5,686,875	-	-	5,686,875
Land	621,056	-	-	-	621,056
	<u>1,157,576</u>	<u>7,921,917</u>	<u>15,987,915</u>	<u>8,280,396</u>	<u>33,347,804</u>
Less: Accumulated depreciation	501,281	2,391,076	2,226,213	378,343	5,496,913
	<u>\$ 656,295</u>	<u>\$ 5,530,841</u>	<u>\$ 13,761,702</u>	<u>\$ 7,902,053</u>	<u>\$ 27,850,891</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

K. PROPERTY AND EQUIPMENT, continued

The following is a summary of property and equipment at June 30, 2010:

	Greenville Tech Foundation, Inc	GTF McAlister, LLC	GTF Student Housing, LLC	Brashier Charter, LLC	Consolidated
Furniture and fixtures	\$ 4,000	\$ -	\$ 709,470	\$ -	\$ 713,470
Equipment	425,520	36,409	-	-	461,929
Automobiles and aircraft	107,000	-	-	-	107,000
Buildings	-	2,198,833	15,242,756	8,280,396	25,721,985
Leasehold improvements	-	5,282,909	-	-	5,282,909
Land	621,056	-	-	-	621,056
Land held for sale	55,000	-	-	-	55,000
Work-in-progress	-	24,290	-	-	24,290
	1,212,576	7,542,441	15,952,226	8,280,396	32,987,639
Less: Accumulated depreciation	443,496	2,082,744	1,736,527	171,334	4,434,101
	<u>\$ 769,080</u>	<u>\$ 5,459,697</u>	<u>\$ 14,215,699</u>	<u>\$ 8,109,062</u>	<u>\$ 28,553,538</u>

Depreciation expense for the years June 30, 2011 and 2010 was \$1,067,021 and \$1,063,004, respectively.

During the year ended June 30, 2010, the Foundation recognized an impairment loss on the land held for sale at June 30, 2010. The original carrying value of the land was \$660,000; however, based on an appraisal performed by a certified appraiser during 2010, the value of the land was determined to be \$55,000, resulting in a \$605,000 impairment loss. During 2011, the land was sold to Greenville Technical College for \$55,000 per permission granted by the State Budget and Control Board.

During the year ended June 30, 2010, the Foundation entered into a construction contract to complete roof work through its GTF McAlister, LLC subsidiary in the amount of \$433,933. Greenville Technical College reimburses the Foundation for two-thirds of all maintenance expenses as part of the common area maintenance fees it pays to the College. The Foundation capitalized a total of \$143,209 of the cost which represented their portion of the billed cost for the roof repairs. At June 30, 2011, the project was complete and all reimbursement had been received from Greenville Technical College.

L. NOTES PAYABLE

	2011	2010
Note payable to a bank by GTF McAlister, LLC; due in monthly principal payments of \$20,834 plus interest at LIBOR plus 1.50% (approximately 1.69% and 1.85% at June 30, 2011 and 2010, respectively); matures October 1, 2013; secured by all McAlister Square property and equipment.	\$ 2,360,586	\$ 2,610,593
Note payable to a contractor by Brashier Charter, LLC; due in full February 1, 2011; the note did not bear any interest at June 30, 2010.	-	63,513
Note payable to a bank by GTF Student Housing, LLC; due in monthly installments of principal plus interest at 67% of 1-month LIBOR plus 3.00% (approximately 2.14% and 2.25% at June 30, 2011 and 2010, respectively); matures November 1, 2035; secured by mortgage.	13,800,000	14,290,000
	<u>\$ 16,160,586</u>	<u>\$ 16,964,106</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

L. NOTES PAYABLE, continued

Provisions of the above bank debt agreements require the Foundation to maintain certain financial ratios such as debt service ratios, establish bank accounts for capital repairs, replacement and maintenance and debt service and certain other covenants which require or restrict other actions.

The future maturities of debt are as follows for years ending June 30:

2012	\$ 615,008
2013	630,008
2014	2,255,570
2015	415,000
2016	430,000
Thereafter	11,815,000
	<hr/> <u>\$ 16,160,586</u>

M. BONDS PAYABLE

Economic Development Revenue Bonds of \$8,410,000 were issued to the Foundation through Brashier Charter, LLC by the South Carolina Jobs - Economic Development Authority (JEDA) to construct a charter high school on one of the Greenville Tech College campuses. The bonds bear interest at a variable weekly rate determined by the issuing bank's remarketing agent. The interest rate was 0.58% and 0.48% at June 30, 2011 and 2010, respectively. The agreement requires annual sinking fund payments of principal plus interest ranging from approximately \$318,097 to \$538,653 which began July 7, 2010, when the amount deposited into the capitalized interest account was depleted. Payments for the year ended June 30, 2011 total \$424,985. Sinking fund payments will continue through maturity on December 1, 2038. As disclosed in Note N, the Foundation was required to obtain an irrevocable letter of credit in connection with the issuance of the bonds as security for payment of principal and interest on the bonds. The balance of these bonds payable totaled \$8,280,000 and \$8,410,000 as of June 30, 2011 and 2010, respectively.

Schedule of maturities for years ending June 30:

2012	\$ 135,000
2013	145,000
2014	150,000
2015	155,000
2016	165,000
Thereafter	7,530,000
	<hr/> <u>\$ 8,280,000</u>

N. LETTERS OF CREDIT

The Foundation, through its subsidiary, Brashier Charter, LLC, has available an irrevocable letter of credit from a financial institution in the amount of \$8,280,000. This letter of credit was obtained as part of the issuance of the Economic Development Revenue Bonds discussed in Note M. The letter of credit provides security for the payment of principal and interest on the bonds. The amount supporting principal is \$8,280,000 and the amount supporting an interest component of up to forty days is \$90,740. The letter

NOTE 24 – COMPONENT UNIT INFORMATION, continued

N. LETTERS OF CREDIT, continued

of credit is collateralized by the building constructed by the bond proceeds. The letter expires July 10, 2013 and may be renewed or extended upon approval of request made by the financial institution.

Brashier Charter, LLC, through the letter of credit is subject to maintaining a debt service coverage ratio as determined by the issuing financial institution.

O. SWAP AGREEMENTS

The Foundation through GTF McAlister, LLC, GTF Student Housing, LLC and Brashier Charter, LLC subsidiaries used variable-rate debt to finance its mortgage on the McAlister property, the 2005 Economic Development Revenue Bonds for the construction of student housing on the Greenville Tech College campus, and to finance the 2008 Economic Development Revenue Bonds for the construction of the charter high school on the Greenville Tech College Brashier campus (See Note M). The debt obligations expose the Foundation to variability in interest payments due to changes in interest rates. Management believes it is prudent to limit the variability of its interest payments. To meet this objective, management entered into interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk. These swaps changed the variable-rate cash flows exposure on the debt obligations to fixed-cash flows. Under the terms of the interest rate swaps, the Foundation receives variable interest rate payments and makes fixed interest rate payments, thereby creating the equivalent of fixed-rate debt.

By using a derivative financial instrument to hedge its exposure to changes in interest rates, the Foundation exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Foundation, which creates credit risk for the Foundation. When the fair value of the derivative contract is negative, the Foundation owes the counterparty and, therefore, it does not possess credit risk. The Foundation minimizes the credit risk in derivative instruments by entering into transactions with high quality counterparties.

Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest-rate contracts is managed by establishing the monitoring parameters that limit the types and degree of market risk that may be undertaken.

The Foundation entered into a \$1,250,000 U. S. Dollar Swap Transaction with a bank with an effective date of October 1, 2003, and a termination date of October 1, 2013. The swap was executed with the purpose of fixing the rate on the mortgage. Under the terms of the agreement, the Foundation pays a fixed rate of 5.7% to Wells Fargo Bank on a monthly basis and, in return, Wells Fargo Bank pays the Foundation a variable rate equal to LIBOR plus 1.5%. At June 30, 2011 and 2010, the swap contract had an original notional amount of \$1,250,000 and a current notional amount of \$291,636 and \$416,640, respectively. The difference between the interest earned and the interest obligation accrued is received or paid the first day of each month and is recorded as interest expense.

On November 15, 2005, the Foundation entered into an \$8,150,000 U. S. Dollar Swap Transaction with an effective date of November 2, 2006, and a termination date of December 1, 2010. This contract was amended on November 27, 2007 and has a maturity date of December 1, 2017. The swap was executed with the purpose of fixing the rate on the bonds issued by the South Carolina Jobs - Economic Development Authority (JEDA). The JEDA bonds were converted to a note payable with SunTrust effective March 1, 2010. As part of this conversion, the interest rate swap was also amended February 4, 2010, and has a maturity date of December 1, 2017. Under the terms of the agreement, the Foundation paid a fixed rate of 3.68% per annum through December 6, 2007, a fixed rate of 3.64% per annum through February 4, 2010, and thereafter a fixed rate of 3.66% per annum to SunTrust Bank on a monthly basis, and in return, SunTrust Bank pays the Foundation a variable rate equal to 67% of USD-LIBOR one

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

O. SWAP AGREEMENTS, continued

London Banking Day preceding the one month rate. At June 30, 2011 and 2010, the swap contract had an original notional amount of \$11,726,250, and current notional amounts of \$11,329,687 and \$11,628,734, respectively. The difference between interest earned and the interest obligation accrued is received or paid the first day of each month and is recorded as interest expense.

On July 10, 2008, the Foundation entered into an \$8,410,000 U. S. Dollar Swap Transaction with an effective date of July 10, 2008, and a termination date of December 1, 2038. The swap was executed with the purpose of fixing the rate on the bonds issued by the South Carolina Jobs - Economic Development Authority (JEDA). Under the terms of the agreement, the Foundation pays a fixed rate of 3.89% per annum to SunTrust Bank on a monthly basis and in return, SunTrust Bank pays the Foundation a variable rate equal to the USD SIFMA Municipal Swap Index (Formerly USD-BMA Municipal Swap Index) plus .06% per annum. At June 30, 2011 and 2010, the swap contract had original notional amounts of \$8,280,000 and \$8,410,000, respectively and current notional amounts of \$8,280,000 and \$8,410,000, respectively. The difference between interest earned and the interest obligation accrued is received or paid the first day of each month and is recorded as interest expense.

See Note S for the fair value information regarding the interest rate swaps.

P. MCALISTER SQUARE OPERATIONS

On August 3, 1999, the Foundation purchased the common area, inner stores and main vehicle entrance of McAlister Square Mall in Greenville, South Carolina and Greenville Technical College purchased the three large department store areas and the parking lot. The Foundation and the College renovated certain portions of the mall which house local businesses and student support services. Daily management and arrangements are handled for the Foundation through its wholly owned subsidiary, GTF McAlister, LLC. This agreement is through October 14, 2032, and provides that the Foundation is paid monthly support payments. On July 31, 2004, GTF McAlister, LLC contracted with Carolina Holdings, Inc., a property management company, to perform day-to-day management functions.

GTF McAlister, LLC leases space to tenants under operating leases which generally range from one to ten years. GTF McAlister, LLC is responsible for property taxes, maintenance and repairs. Substantially all leases include a charge for common area maintenance which is used to offset repair and maintenance costs incurred in common areas.

Minimum future lease receipts under operating leases are as follows:

2012	\$	1,166,670
2013		671,511
2014		412,683
2015		86,541
2016		32,345
	\$	<u>2,369,750</u>

Q. RELATED PARTY TRANSACTIONS

The Foundation pays Greenville Technical College \$4,000 annually for equipment rental and communication services. GTF McAlister, LLC, a subsidiary of the Foundation, manages Greenville Technical College's portion of the McAlister Square Mall for a management fee of \$14,250 per month. For the years ended June 30, 2011 and 2010, management fees paid to GTF McAlister, LLC and the Foundation by the college totaled \$171,000 per year. The College also reimbursed GTF McAlister, LLC

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

Q. RELATED PARTY TRANSACTIONS, continued

and the Foundation for approximately two-thirds of expenses incurred in running the facility, including common area maintenance (CAM) related expenses. At June 30, 2011 and 2010, GTF McAlister, LLC had a receivable due from the College for CAM expenses of \$36,116 and \$25,116, respectively. During the years ended June 30, 2011 and 2010 the College paid maintenance expenses in the amount of \$221,205 and \$145,974, respectively which reduced GTF McAlister deferred income. Greenville Technical College acts as the paymaster for the Foundation and GTF McAlister, LLC. The Foundation and the LLC transfer funds to the College each pay period.

The Foundation, through GTF Student Housing, LLC, leases land from Greenville Technical College for \$1 annually. The initial term of this lease commenced on January 1, 2005 and extends for 30 years, ending December 31, 2034.

The Foundation, through Brashier Charter, LLC, leases land from Greenville Technical College for \$1 annually and the College leases from the Foundation, through Brashier Charter, LLC an educational facility. The initial term of this lease commenced May 13, 2008 and extends for 30 years, ending December 31, 2038. Base rent for this educational facility under this lease is an amount equal to the debt service payments owed by Brashier for the development/construction financing obtained by Brashier Charter, LLC plus additional amounts required by the lender under such financing, in its loan documents, to create and maintain certain reserves and a debt, service coverage ratio.

R. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions as of June 30, 2011 consisted of the following support transferred out of temporarily and permanently restricted funds for payment by unrestricted funds.

	Temporarily Restricted	Permanently Restricted	Total
Scholarships	\$ 170,212	\$ -	\$ 170,212
Student programs	140,374	-	140,374
College faculty/staff development	103,439	-	103,439
College departmental supplies & activities	135,623	-	135,623
Equipment purchases/gifts-in-kind	89,276	-	89,276
Miscellaneous expenses	131,655	-	131,655
Total Net Assets Released from Restrictions	<u>\$ 770,579</u>	<u>\$ -</u>	<u>\$ 770,579</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

R. NET ASSETS RELEASED FROM RESTRICTIONS, continued

Net assets released from restrictions as of June 30, 2010 consisted of the following support transferred out of temporarily and permanently restricted funds for payment by unrestricted funds.

	Temporarily Restricted	Permanently Restricted	Total
Scholarships	\$ 196,908	\$ -	\$ 196,908
Student programs	178,515	-	178,515
College faculty/staff development	15,973	-	15,973
College departmental supplies & activities	126,154	-	126,154
Equipment purchases/gifts-in-kind	77,408	-	77,408
Miscellaneous expenses	2,424	-	2,424
Total Net Assets Released from Restrictions	<u>\$ 597,382</u>	<u>\$ -</u>	<u>\$ 597,382</u>

S. FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB ASC 820, Fair Value Measurements, establishes a framework for measuring fair value. ASC 820 addresses acceptable valuation techniques and establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements), and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

S. FAIR VALUE OF FINANCIAL INSTRUMENTS, continued

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Cash, accounts receivable, accounts payable, and other accrued liabilities: carrying value approximates fair value because of the short maturity of these financial instruments.

Investments: valued based on information provided by external investment managers or comparison to quoted market values.

Contribution receivable from a beneficial interest in a charitable remainder trust: valued using the income approach based on calculating the present value of the future distributions expected to be received, using published life expectancy tables and an appropriate discount rate.

Cash value of life insurance policies: valued at the cash surrender value of the life insurance policy, as determined by the issuer of the insurance policy, which approximates fair value.

Pledges receivable: valued using the estimated present value of expected cash inflows.

Notes payable and bonds payable: carrying value approximates fair value because these financial instruments bear interest at rates which approximate current market rates for notes and bonds with similar maturities and credit equity.

Interest rate swap: valued using observable current market information as of the reporting date and is included in long term liabilities on the accompanying statement of financial position.

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

S. FAIR VALUE OF FINANCIAL INSTRUMENTS, continued

Fair values of assets and liabilities measured on a recurring basis at June 30, 2011 and 2010 were as follows:

Assets / Liabilities at Fair Value				
	Total	Level 1	Level 2	Level 3
JUNE 30, 2011:				
ASSETS:				
Investments:				
Equity Securities – Common Stock				
Financials	\$ 290,225	\$ 290,225	\$ -	\$ -
Information Technology	386,408	386,408	-	-
Health care	310,136	310,136	-	-
Consumer discretionary	255,955	255,955	-	-
Energy	278,238	278,238	-	-
Industrials	261,581	261,581	-	-
Consumer staples	191,385	191,385	-	-
Telecommunication services	108,957	108,957	-	-
Materials	156,181	156,181	-	-
Utilities	70,659	70,659	-	-
Fixed Income Securities				
US Government debt securities	966,379	966,379	-	-
Corporate debt securities	785,438	785,438	-	-
Mortgage-backed securities	363,343	363,343	-	-
Mutual funds	691,239	691,239	-	-
Total Investments	5,116,124	5,116,124	-	-
Charitable remainder trusts receivable	118,049	-	-	118,049
Cash value of life insurance	32,736	-	32,736	-
Pledges receivable	81,045	-	-	81,045
	<u>\$ 5,347,954</u>	<u>\$ 5,116,124</u>	<u>\$ 32,736</u>	<u>\$ 199,094</u>
LIABILITIES:				
Derivative instruments	<u>\$ 2,080,085</u>	<u>\$ -</u>	<u>\$ 2,080,085</u>	<u>\$ -</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

S. FAIR VALUE OF FINANCIAL INSTRUMENTS, continued

Assets / Liabilities at Fair Value (continued)				
	Total	Level 1	Level 2	Level 3
JUNE 30, 2010:				
ASSETS:				
Investments:				
Equity Securities – Common Stock				
Financials	\$ 232,623	\$ 232,623	\$ -	\$ -
Information Technology	231,520	231,520	-	-
Health care	217,699	217,699	-	-
Consumer discretionary	179,516	179,516	-	-
Energy	169,230	169,230	-	-
Industrials	166,323	166,323	-	-
Consumer staples	111,675	111,675	-	-
Telecommunication services	95,803	95,803	-	-
Materials	81,465	81,465	-	-
Utilities	50,800	50,800	-	-
Fixed Income Securities				
US Government debt securities	1,143,865	1,143,865	-	-
Corporate debt securities	794,207	794,207	-	-
Mortgage-backed securities	352,102	352,102	-	-
Mutual funds	588,043	588,043	-	-
Total Investments	4,414,871	4,414,871	-	-
Charitable remainder trusts receivable	150,826	-	-	150,826
Cash value of life insurance	28,544	-	28,544	-
Pledges receivable	45,037	-	-	45,037
	<u>\$ 4,639,278</u>	<u>\$ 4,414,871</u>	<u>\$ 28,544</u>	<u>\$ 195,863</u>
LIABILITIES:				
Derivative instruments	<u>\$ 2,337,043</u>	<u>-</u>	<u>\$ 2,337,043</u>	<u>-</u>

GREENVILLE TECHNICAL COLLEGE
Notes to Financial Statements
June 30, 2011 and June 30, 2010

NOTE 24 – COMPONENT UNIT INFORMATION, continued

S. FAIR VALUE OF FINANCIAL INSTRUMENTS, continued

The following table represents a summary of changes of the Foundation's Level 3 assets for the years ended June 30, 2011 and 2010:

	Charitable Remainder Trust receivables	Pledges receivable	Total
Balance June 30, 2009	\$ 239,025	\$ 293,320	\$ 532,345
Total realized/unrealized gains or (losses) included in change in net assets:	(88,199)	-	(88,199)
Purchases, reissuance, and settlements	-	(248,283)	(248,283)
Balance June 30, 2010	150,826	45,037	195,863
Total realized/unrealized gains or (losses) included in change in net assets:	(32,777)	-	(32,777)
Purchases, reissuance, and settlements	-	36,008	36,008
Balance June 30, 2011	<u>\$ 118,049</u>	<u>\$ 81,045</u>	<u>\$ 199,094</u>

Total realized and unrealized gains (losses) on charitable remainder trust receivables measured using Level 3 inputs are reported in the Foundation's statements of activities.



STATISTICAL SECTION

INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA

Statistical Section Content Explanation

This section of the Greenville Technical College Comprehensive Annual Financial Report presents information that will assist in understanding the information in the financial statements, note disclosures, and the supplementary information about the overall financial health of the College.

CONTENTS

SCHEDULES

Financial Trends

1-3

The schedules in this section contain trend information to assist in understanding how the College's financial performance and well-being have changed over time.

Revenue Capacity

4-8

The schedules in this section contain information to assess the College's most significant revenue sources.

Debt Capacity

9-10

The schedules in this section contain information to assess the College's outstanding debt obligations.

Demographic and Economic Indicators

11-12

The schedules in this section offer demographic and economic indicators to assist in understanding the environment within the College's financial activities it performs.

Operating Information

13-14

The schedules in this section contain service and infrastructure data to assist in understanding how the information in the College's financial report relates to the services it provides and the activities it performs.

Other Information

15-16

The schedules in this section are additional information that is not required by GASB 44 Statement but is of interest to those reading the report.



STATISTICAL SECTION:

Financial Trends

INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA

GREENVILLE TECHNICAL COLLEGE
Net Assets and Changes in Net Assets

Schedule 1

	For the Years Ended June 30				
	2002	2003	2004	2005	2006
Income Before Other Revenues, Expenses, Gains or Losses	\$ (1,149,895)	\$ 969,315	\$ 493,129	\$ 1,331,069	\$ 812,911
State Capital Appropriation	3,346,797	1,526,192	1,087,791	1,087,791	1,642,302
Transfers to/from Other State Agencies	52,366	-	10,914	-	-
Capital Grants and Gifts	-	2,800,000	87,669	-	-
Total Increase in Net Assets	\$ 2,249,268	\$ 5,295,507	\$ 1,679,503	\$ 2,418,860	\$ 2,455,213
Invested in Capital Assets,					
Net of Related Debt	41,447,114	44,689,195	44,919,113	43,815,807	45,564,474
Restricted For:					
Expendable	-	-	-	-	-
Capital Projects*	-	-	-	-	-
Loans	13,376	13,332	21,180	21,199	21,218
Debt Service	2,000	29	-	-	-
Other	1,663,253	1,582,559	2,222,654	2,777,473	2,729,733
Unrestricted	6,404,806	8,540,941	9,342,612	11,640,238	12,394,505
Total College net assets	\$ 49,530,549	\$ 54,826,056	\$ 56,505,559	\$ 58,254,717	\$ 60,709,930

	For the Years Ended June 30				
	2007	2008	2009	2010	2011
Income Before Other Revenues, Expenses, Gains or Losses	\$ 5,716,550	\$ 2,354,691	\$ 1,022,484	\$ 4,561,595	\$ 2,156,545
State Capital Appropriation	1,378,839	2,985,962	936,200	824,512	614,729
Transfers to/from Other State Agencies	12,168	-	-	41,052	7,200
Capital Grants and Gifts	2,000,000	-	-	-	-
Total Increase in Net Assets	\$ 9,107,557	\$ 5,340,653	\$ 1,958,684	\$ 5,427,159	\$ 2,778,474
Invested in Capital Assets,					
Net of Related Debt	50,904,923	56,810,407	57,483,545	55,644,652	56,691,405
Restricted For:					
Expendable	-	-	-	-	-
Capital Projects*	-	4,303,866	4,085,165	6,297,742	4,063,072
Loans	21,237	21,166	21,164	21,293	21,293
Debt Service	-	-	-	-	-
Other	7,310,980	-	-	-	-
Unrestricted	11,580,347	14,022,701	15,526,950	20,580,296	24,546,687
Total College net assets	\$ 69,817,487	\$ 75,158,140	\$ 77,116,824	\$ 82,543,983	\$ 85,322,457

Notes: Encumbrances and inventories were reclassified from Restricted Expendable to Unrestricted in fiscal year 2011. Prior years were re-stated for comparison purposes.
Gain (Loss) on Disposal of Capital Assets was not included in Income before Other Revenues, Expenses, Gains or Losses prior to fiscal year ending 2009. Prior years have been re-stated for comparison purposes.
(*) Additional category included in Statement of Net Assets beginning fiscal year ended June 30, 2009.

Source: Greenville Technical College Audited Financial Statements for years indicated

Schedule 2**GREENVILLE TECHNICAL COLLEGE**Operating Expenses by Function
Last Ten Fiscal Years

	2002	2003	2004	2005	2006
Instruction	\$27,406,807	\$29,210,588	\$30,886,859	\$33,591,542	\$37,092,892
Academic Support	\$ 8,009,241	\$ 8,585,487	\$ 9,173,353	\$ 9,802,136	\$ 9,823,465
Student Support	\$ 5,322,567	\$ 5,247,277	\$ 5,313,519	\$ 5,595,982	\$ 5,448,460
Maint/Operations	\$ 7,304,918	\$ 7,285,886	\$ 7,567,999	\$ 8,577,085	\$ 8,403,850
Institutional Support	\$ 5,555,319	\$ 4,193,160	\$ 6,288,155	\$ 6,132,240	\$ 5,306,127
Scholarships	\$ 4,218,115	\$ 7,206,645	\$ 7,858,711	\$ 7,560,351	\$ 8,992,038
Auxiliary Enterprises	\$ 3,444,980	\$ 3,917,208	\$ 4,493,288	\$ 5,076,517	\$ 5,286,249
Depreciation	\$ 3,003,919	\$ 3,410,389	\$ 3,346,145	\$ 3,230,487	\$ 3,185,106
Total Expenditures	\$64,265,866	\$69,056,640	\$74,928,029	\$79,566,340	\$83,538,187

	(Percent of Total)				
	2002	2003	2004	2005	2006
Instruction	42.65%	42.30%	41.22%	42.22%	44.40%
Academic Support	12.46%	12.43%	12.24%	12.32%	11.76%
Student Support	8.28%	7.60%	7.09%	7.03%	6.52%
Maint/Operations	11.37%	10.55%	10.10%	10.78%	10.06%
Institutional Support	8.65%	6.07%	8.39%	7.71%	6.35%
Scholarships	6.56%	10.44%	10.49%	9.50%	10.77%
Auxiliary Enterprises	5.36%	5.67%	6.00%	6.38%	6.33%
Depreciation	4.67%	4.94%	4.47%	4.06%	3.81%
Total Expenditures	100.00%	100.00%	100.00%	100.00%	100.00%

GREENVILLE TECHNICAL COLLEGE
Operating Expenses by Function
Last Ten Fiscal Years

Schedule 2
(continued)

	2007	2008	2009	2010	2011
Instruction	\$38,428,192	\$43,498,946	\$43,036,617	\$ 43,240,090	\$ 45,586,216
Academic Support	\$10,608,417	\$12,026,530	\$11,691,171	\$ 11,861,907	\$ 10,691,933
Student Support	\$ 5,805,619	\$ 5,856,535	\$ 5,915,363	\$ 6,740,121	\$ 7,106,668
Maint/Operations	\$ 9,062,001	\$11,009,445	\$10,060,545	\$ 9,970,797	\$ 11,188,394
Institutional Support	\$ 5,237,090	\$ 5,933,546	\$ 5,487,748	\$ 5,379,401	\$ 7,569,812
Scholarships	\$ 8,380,294	\$10,035,768	\$12,002,989	\$ 19,405,001	\$ 20,936,713
Auxiliary Enterprises	\$ 5,528,302	\$ 5,915,974	\$ 6,608,349	\$ 7,526,264	\$ 7,819,553
Depreciation	\$ 3,341,078	\$ 4,196,851	\$ 4,436,707	\$ 4,908,497	\$ 5,853,045
Total Expenditures	\$86,390,993	\$98,473,595	\$99,239,489	\$109,032,078	\$116,752,334

	(Percent of Total)				
	2007	2008	2009	2010	2011
Instruction	44.48%	44.17%	43.37%	39.67%	39.05%
Academic Support	12.28%	12.21%	11.78%	10.88%	9.16%
Student Support	6.72%	5.95%	5.96%	6.18%	6.09%
Maint/Operations	10.49%	11.18%	10.14%	9.14%	9.58%
Institutional Support	6.06%	6.03%	5.53%	4.93%	6.48%
Scholarships	9.70%	10.19%	12.09%	17.80%	17.93%
Auxiliary Enterprises	6.40%	6.01%	6.66%	6.90%	6.70%
Depreciation	3.87%	4.26%	4.47%	4.50%	5.01%
Total Expenditures	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Greenville Technical College Audited Financial Statements

**Expenses by Function
For the Year Ended June 30, 2011**

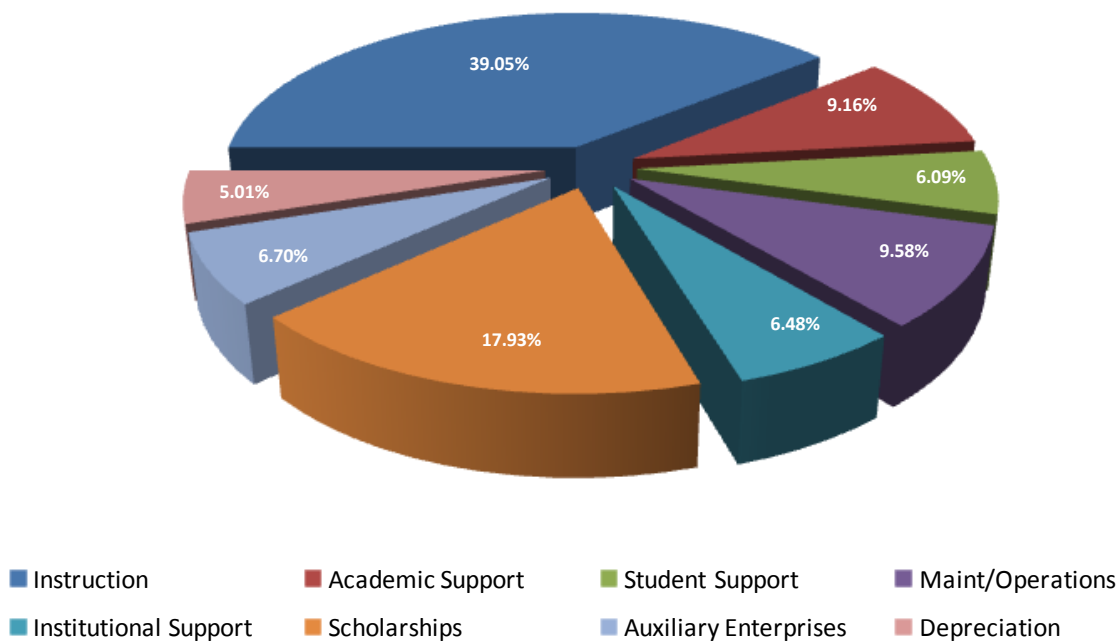


Chart 1

**Auxiliary Enterprises Revenue/Expense Comparison, Last 10 Years
Ended June 30, 2011**

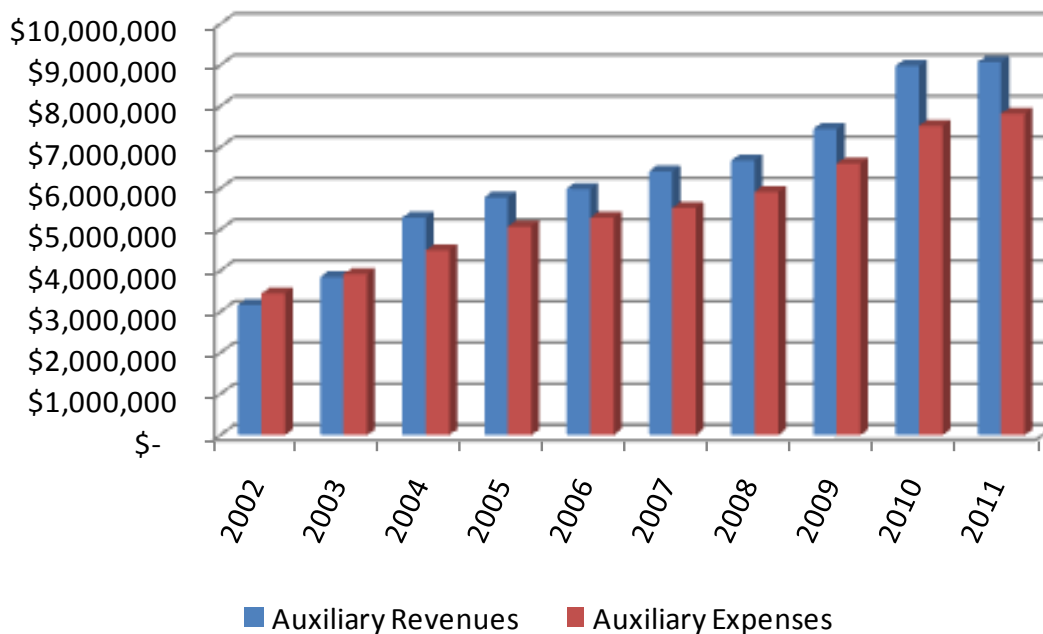


Chart 2

GREENVILLE TECHNICAL COLLEGE
Ten Year Expense Comparison
Instruction, Academic Support, Student Support
 Ended June 30, 2011

Charts 3 & 4

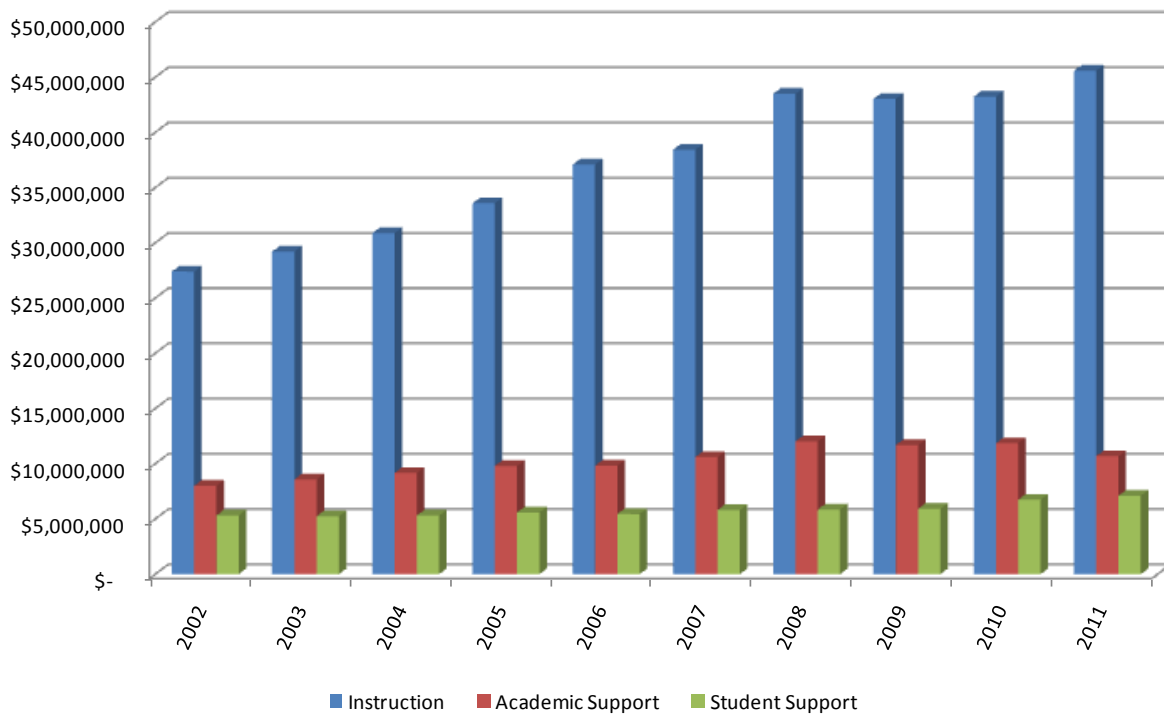


Chart 3

Ten Year Expense Comparison
Other Functional Areas
 Ended June 30, 2011

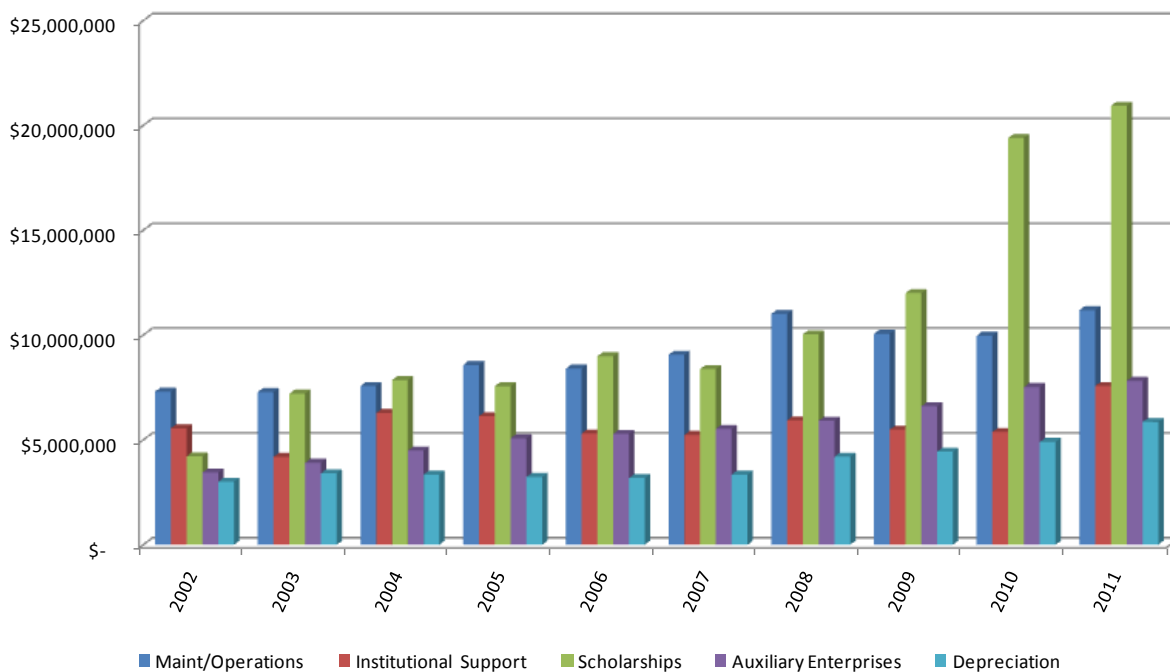


Chart 4

GREENVILLE TECHNICAL COLLEGE
Expenses by Use

Expenses:	2002	2003	2004	2005	2006
Salaries	\$ 32,561,038	\$ 33,761,450	\$ 36,102,357	\$ 39,240,037	\$ 41,993,341
Benefits	7,360,677	7,829,002	8,283,933	9,070,878	9,711,405
Scholarships	4,218,115	7,206,645	7,858,711	7,560,351	8,992,038
Utilities	1,647,463	1,669,635	1,946,185	1,943,288	2,044,341
Supplies and Other Services	15,474,654	15,179,519	17,390,698	18,521,299	17,611,956
Depreciation	3,003,919	3,410,389	3,346,145	3,230,487	3,185,106
Total Operating Expenses	\$ 64,265,866	\$ 69,056,640	\$ 74,928,029	\$ 79,566,340	\$ 83,538,187
Loss on Disposal of Fixed Assets	674	8,817	-	9,214	38,300
Interest Expense on Capital Asset Related Debt	1,930,232	2,068,459	1,991,916	1,912,772	2,001,067
Total Expenses	\$ 66,196,772	\$ 71,133,916	\$ 76,919,945	\$ 81,488,326	\$ 85,577,554

	(Percent of Total)				
Expenses:	2002	2003	2004	2005	2006
Salaries	49.19%	47.46%	46.93%	48.15%	49.07%
Benefits	11.12%	11.01%	10.77%	11.13%	11.35%
Scholarships	6.37%	10.13%	10.22%	9.28%	10.51%
Utilities	2.49%	2.35%	2.53%	2.38%	2.39%
Supplies and Other Services	23.37%	21.34%	22.61%	22.73%	20.58%
Depreciation	4.54%	4.79%	4.35%	3.97%	3.72%
Total Operating Expenses	97.08%	97.08%	97.41%	97.64%	97.62%
Loss on Disposal of Fixed Assets	0.00%	0.01%	0.00%	0.01%	0.04%
Interest Expense on Capital Asset Related Debt	2.92%	2.91%	2.59%	2.35%	2.34%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

GREENVILLE TECHNICAL COLLEGE
Expenses by Use

Schedule 3
(continued)

Expenses:	2007	2008	2009	2010	2011
Salaries	\$ 43,007,646	\$ 45,892,461	\$ 46,289,280	\$ 47,238,522	\$ 47,875,256
Benefits	10,146,341	11,276,002	11,663,225	11,924,571	12,607,130
Scholarships	8,380,294	10,035,768	12,002,989	19,405,001	20,936,713
Utilities	2,157,219	2,525,443	2,529,831	2,730,827	2,842,110
Supplies and Other Services	19,358,415	24,547,070	22,317,457	22,824,660	26,638,080
Depreciation	3,341,078	4,196,851	4,436,707	4,908,497	5,853,045
Total Operating Expenses	\$ 86,390,993	\$ 98,473,595	\$ 99,239,489	\$ 109,032,078	\$ 116,752,334
Loss on Disposal of Fixed Assets	-	90,312	2,290	401,314	-
Interest Expense on Capital Asset Related Debt	1,675,393	1,669,507	1,743,834	2,196,495	1,738,675
Total Expenses	\$ 88,066,386	\$ 100,233,414	\$ 100,985,613	\$ 111,629,887	\$ 118,491,009

	(Percent of Total)				
Expenses:	2007	2008	2009	2010	2011
Salaries	48.84%	45.78%	45.83%	42.31%	40.40%
Benefits	11.52%	11.25%	11.55%	10.68%	10.64%
Scholarships	9.52%	10.01%	11.89%	17.38%	17.67%
Utilities	2.45%	2.52%	2.51%	2.45%	2.40%
Supplies and Other Services	21.98%	24.49%	22.10%	20.45%	22.48%
Depreciation	3.79%	4.19%	4.39%	4.40%	4.94%
Total Operating Expenses	98.10%	98.24%	98.27%	97.67%	98.53%
Loss on Disposal of Fixed Assets	0.00%	0.09%	0.00%	0.36%	0.00%
Interest Expense on Capital Asset Related Debt	1.90%	1.67%	1.73%	1.97%	1.47%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Greenville Technical College Audited Financial Statements



STATISTICAL SECTION:

Revenue Capacity

INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA

Schedule 4

GREENVILLE TECHNICAL COLLEGE

Schedule of Revenue by Source
Last Ten Fiscal Years

	2002	2003	2004	2005	2006
Tuition and Fees	\$ 17,147,774	\$ 18,813,424	\$ 19,723,318	\$ 21,390,351	\$ 23,066,619
Federal Grants/Contracts	2,653,775	9,740,465	13,442,392	14,983,920	14,675,599
State Grants/Contracts	753,438	5,992,250	8,865,084	9,928,907	9,949,423
Sales/Serv. Of Educ. Depts.	388,400	389,578	444,648	436,375	461,390
Auxiliary Enterprises	3,168,137	3,842,009	4,389,232	4,470,254	4,825,847
Other	426,213	471,203	701,444	717,474	760,419
<i>Total Operating Revenue</i>	<i>\$ 24,537,737</i>	<i>\$ 39,248,929</i>	<i>\$ 47,566,118</i>	<i>\$ 51,927,281</i>	<i>\$ 53,739,297</i>
State Appropriations	\$ 24,011,668	\$ 23,273,818	\$ 20,204,395	\$ 20,995,453	\$ 21,849,192
Local Appropriations	8,411,637	8,433,689	8,600,303	8,756,194	8,767,161
Investment Income	422,211	275,970	182,497	435,747	1,107,676
Gain on Disposal of Capital Assets			8,531	-	-
Federal Grants/Contracts	6,063,768	606,321	600,142	416,159	569,422
State Grants/Contracts	1,599,856	264,504	251,088	288,561	357,717
<i>Total Nonoperating Revenue</i>	<i>\$ 40,509,140</i>	<i>\$ 32,854,302</i>	<i>\$ 29,846,956</i>	<i>\$ 30,892,114</i>	<i>\$ 32,651,168</i>
State Capital Appropriation	\$ 3,346,797	\$ 1,526,192	\$ 1,087,791	\$ 1,087,791	\$ 1,642,302
Transfers from Other State Agencies	52,366	-	10,914	-	-
Capital Grants and Gifts	-	2,800,000	87,669	-	-
Total Revenues	\$ 68,446,040	\$ 76,429,423	\$ 78,599,448	\$ 83,907,186	\$ 88,032,767

(Percent of Total)

	2002	2003	2004	2005	2006
Tuition and Fees	25.05%	24.62%	25.09%	25.49%	26.20%
Federal Grants/Contracts	3.88%	12.74%	17.10%	17.86%	16.67%
State Grants/Contracts	1.10%	7.84%	11.28%	11.83%	11.30%
Sales/Serv. Of Educ. Depts.	0.57%	0.51%	0.57%	0.52%	0.52%
Auxiliary Enterprises	4.63%	5.03%	5.58%	5.33%	5.48%
Other	0.62%	0.62%	0.89%	0.86%	0.86%
<i>Total Operating Revenue</i>	<i>35.85%</i>	<i>51.35%</i>	<i>60.52%</i>	<i>61.89%</i>	<i>61.04%</i>
State Appropriations	35.08%	30.45%	25.71%	25.02%	24.82%
Local Appropriations	12.29%	11.03%	10.94%	10.44%	9.96%
Investment Income	0.62%	0.36%	0.23%	0.52%	1.26%
Gain on Disposal of Capital Assets	0.00%	0.00%	0.01%	0.00%	0.00%
Federal Grants/Contracts	8.86%	0.79%	0.76%	0.50%	0.65%
State Grants/Contracts	2.34%	0.35%	0.32%	0.34%	0.41%
<i>Total Nonoperating Revenue</i>	<i>59.18%</i>	<i>42.99%</i>	<i>37.97%</i>	<i>36.82%</i>	<i>37.09%</i>
State Capital Appropriation	4.89%	2.00%	1.38%	1.30%	1.87%
Transfers from Other State Agencies	0.08%	0.00%	0.01%	0.00%	0.00%
Capital Grants and Gifts	0.00%	3.66%	0.11%	0.00%	0.00%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

GREENVILLE TECHNICAL COLLEGE

 Schedule of Revenue by Source
 Last Ten Fiscal Years

Schedule 4

(continued)

	2007	2008	2009	2010	2011
Tuition and Fees	\$ 23,738,289	\$ 27,507,427	\$ 27,577,132	\$ 30,307,515	\$ 29,025,781
Federal Grants/Contracts	15,752,798	18,006,694	22,470,535	6,227,075	5,593,759
State Grants/Contracts	13,370,764	13,342,015	13,353,739	12,538,718	12,262,899
Sales/Serv. Of Educ. Depts.	509,327	556,252	576,514	639,379	646,839
Auxiliary Enterprises	4,827,896	5,079,006	5,441,532	5,948,067	5,766,792
Other	752,599	558,045	677,893	927,181	1,059,622
<i>Total Operating Revenue</i>	<i>\$ 58,951,673</i>	<i>\$ 65,049,439</i>	<i>\$ 70,097,345</i>	<i>\$ 56,587,935</i>	<i>\$ 54,355,692</i>
State Appropriations	\$ 22,936,566	\$ 24,940,026	\$ 19,380,516	\$ 17,595,128	\$ 15,033,690
Local Appropriations	9,123,346	9,233,396	9,942,413	10,009,941	10,547,851
Investment Income	1,488,884	1,149,506	489,158	218,871	294,276
Gain on Disposal of Capital Assets	-	-	-	-	1,448
Federal Grants/Contracts	713,444	709,285	784,918	30,734,132	39,650,020
State Grants/Contracts	569,023	1,506,453	1,313,747	1,045,475	764,577
<i>Total Nonoperating Revenue</i>	<i>\$ 34,831,263</i>	<i>\$ 37,538,666</i>	<i>\$ 31,910,752</i>	<i>\$ 59,603,547</i>	<i>\$ 66,291,862</i>
State Capital Appropriation	\$ 1,378,839	\$ 2,985,962	\$ 936,200	\$ 824,512	\$ 614,729
Transfers from Other State Agencies	12,168	-	-	41,052	7,200
Capital Grants and Gifts	2,000,000	-	-	-	-
Total Revenues	\$ 97,173,943	\$105,574,067	\$102,944,297	\$117,057,046	\$121,269,483

(Percent of Total)

	2007	2008	2009	2010	2011
Tuition and Fees	24.43%	26.06%	26.79%	25.89%	23.93%
Federal Grants/Contracts	16.21%	17.06%	21.83%	5.32%	4.61%
State Grants/Contracts	13.76%	12.64%	12.97%	10.71%	10.11%
Sales/Serv. Of Educ. Depts.	0.52%	0.53%	0.56%	0.55%	0.53%
Auxiliary Enterprises	4.97%	4.81%	5.29%	5.08%	4.76%
Other	0.77%	0.53%	0.66%	0.79%	0.87%
<i>Total Operating Revenue</i>	<i>60.67%</i>	<i>61.61%</i>	<i>68.09%</i>	<i>48.34%</i>	<i>44.82%</i>
State Appropriations	23.60%	23.62%	18.83%	15.03%	12.40%
Local Appropriations	9.39%	8.75%	9.66%	8.55%	8.70%
Investment Income	1.53%	1.09%	0.48%	0.19%	0.24%
Gain on Disposal of Capital Assets	0.00%	0.00%	0.00%	0.00%	0.00%
Federal Grants/Contracts	0.73%	0.67%	0.76%	26.26%	32.70%
State Grants/Contracts	0.59%	1.43%	1.28%	0.89%	0.63%
<i>Total Nonoperating Revenue</i>	<i>35.84%</i>	<i>35.56%</i>	<i>31.00%</i>	<i>50.92%</i>	<i>54.66%</i>
State Capital Appropriation	1.42%	2.83%	0.91%	0.70%	0.51%
Transfers from Other State Agencies	0.01%	0.00%	0.00%	0.04%	0.01%
Capital Grants and Gifts	2.06%	0.00%	0.00%	0.00%	0.00%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Greenville Technical College Audited Financial Statements.

Note: Pell was reclassified from operating to non-operating revenue in the year ended June 30, 2010.

Chart 5

GREENVILLE TECHNICAL COLLEGE

Revenues by Source
For the Year Ended June 30, 2011

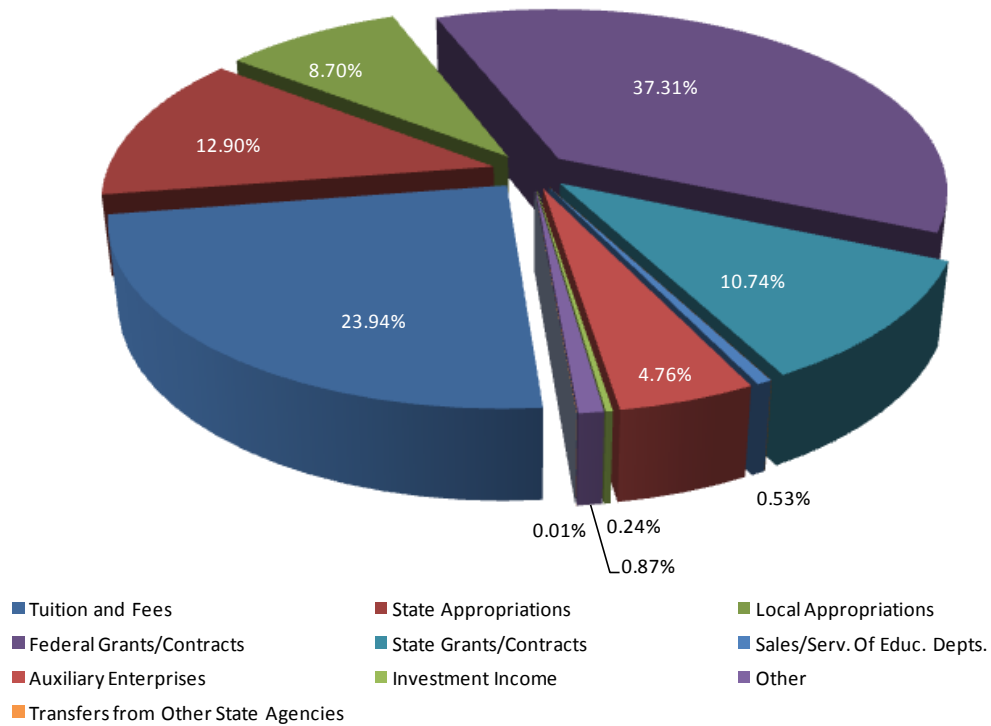


Chart 5

Revenues by Source
For the Year Ended June 30, 2011

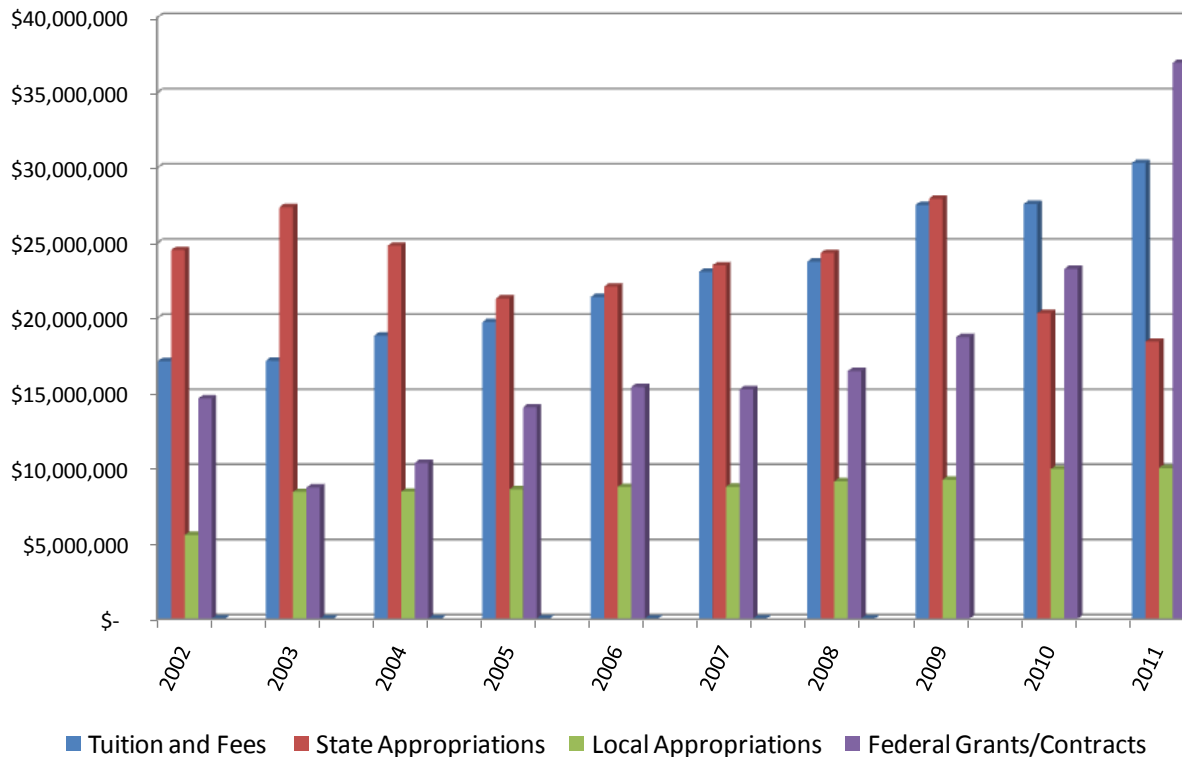


Chart 6

Total Revenue/Expense Comparison, Last Ten Fiscal Years
Ended June 30, 2011

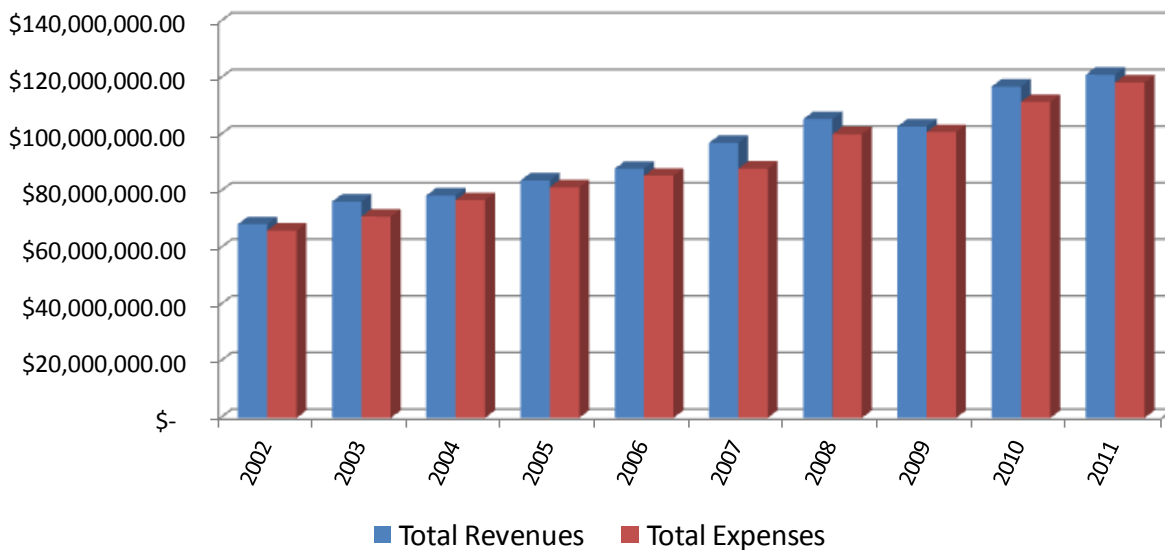


Chart 7

Schedule 5

GREENVILLE TECHNICAL COLLEGE

Annual Tuition and Fees

Last Ten Years

Technical Colleges						
In-County Tuition and Fees	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	
Aiken TC	\$ 1,800	\$ 2,192	\$ 2,600	\$ 2,836	\$ 3,036	
Central Carolina TC	1,700	2,092	2,500	2,500	2,700	
Denmark TC	1,700	2,152	2,248	2,278	2,378	
Florence-Darlington TC	1,720	2,112	2,976	2,986	3,026	
Greenville TC	1,750	2,142	2,600	2,900	3,000	
Horry-Georgetown TC	1,744	2,136	2,394	2,680	2,800	
Midlands TC	1,800	2,192	2,836	2,908	3,004	
Northeastern TC	1,705	2,092	2,346	2,346	2,526	
Orangeburg-Calhoun TC	1,700	1,992	2,496	2,640	2,640	
Piedmont TC	1,760	2,350	2,596	2,740	2,860	
Spartanburg TC	1,740	2,132	2,660	2,806	2,902	
TC of the Lowcountry	1,700	2,142	2,600	2,900	3,050	
Tri-County TC	1,800	2,022	2,450	2,546	2,738	
Trident TC	1,700	2,092	2,446	2,688	2,950	
Williamsburg TC	1,700	2,112	2,112	2,692	2,692	
York TC	1,712	2,108	2,736	2,886	3,036	
System Average	\$ 1,733	\$ 2,129	\$ 2,537	\$ 2,708	\$ 2,834	

Two-Year Regional Campuses of USC

In-State Tuition and Fees	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	
USC-Lancaster	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	
USC-Salkehatchie	2,410	3,080	3,656	4,058	4,324	
USC-Sumter	2,410	3,080	3,656	4,058	4,324	
USC-Union	2,410	3,080	3,656	4,058	4,324	

GREENVILLE TECHNICAL COLLEGE
Annual Tuition and Fees
Last Ten Years

Schedule 5
(continued)

Technical Colleges						
In-County Tuition and Fees	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	
Aiken TC	\$ 3,190	\$ 3,298	\$ 3,506	\$ 3,626	\$ 3,706	
Central Carolina TC	2,900	2,920	3,020	3,308	3,380	
Denmark TC	2,278	2,278	2,378	2,492	2,500	
Florence-Darlington TC	3,190	3,190	3,190	3,302	3,526	
Greenville TC	3,190	3,290	3,396	3,492	3,616	
Horry-Georgetown TC	2,944	3,114	3,194	3,206	3,357	
Midlands TC	3,100	3,244	3,360	3,608	3,680	
Northeastern TC	2,646	2,982	3,270	3,342	3,342	
Orangeburg-Calhoun TC	2,832	2,832	3,048	3,218	3,434	
Piedmont TC	2,956	3,076	3,076	3,334	3,540	
Spartanburg TC	3,094	3,194	3,314	3,434	3,576	
TC of the Lowcountry	3,050	3,150	3,270	3,382	3,556	
Tri-County TC	2,856	2,976	3,060	3,168	3,465	
Trident TC	3,114	3,220	3,330	3,450	3,530	
Williamsburg TC	2,830	2,830	2,942	3,042	3,264	
York TC	3,124	3,124	3,244	3,352	3,496	
System Average	\$ 2,956	\$ 3,045	\$ 3,162	\$ 3,297	\$ 3,436	

Two-Year Regional Campuses of USC

In-State Tuition and Fees	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	
USC-Lancaster	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528	\$ 5,864	
USC-Salkehatchie	4,652	4,868	5,264	5,528	5,864	
USC-Sumter	4,652	4,868	5,264	5,528	5,864	
USC-Union	4,652	4,868	5,264	5,528	5,864	

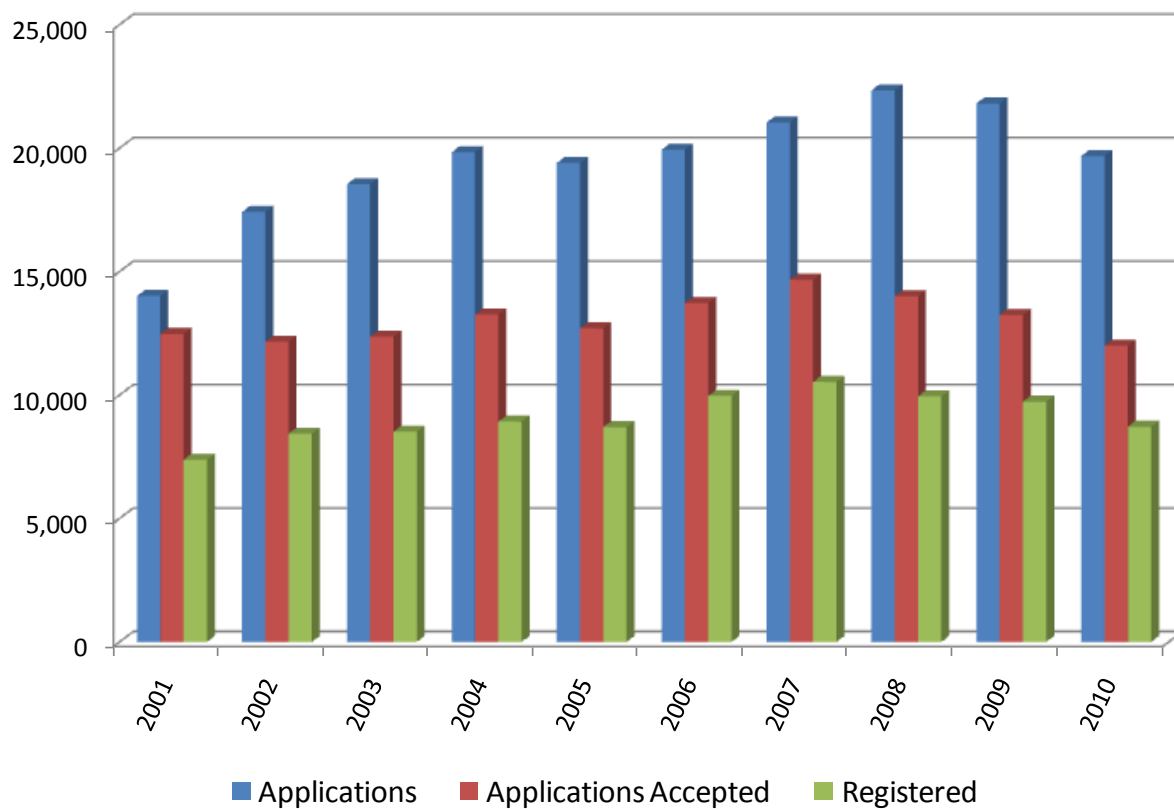
Source: South Carolina Commission on Higher Education

Schedule 6

GREENVILLE TECHNICAL COLLEGE

Admissions Statistics
For Academic Years 2001-2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Applications	14,015	17,413	18,538	19,837	19,397	19,938	21,036	22,341	21,810	19,684
Applications Accepted	12,476	12,157	12,368	13,258	12,702	13,729	14,668	14,005	13,244	12,007
Registered	7,377	8,433	8,512	8,924	8,699	9,960	10,528	9,946	9,733	8,715
Percent Accepted	89.0%	69.8%	66.7%	66.8%	65.5%	68.9%	69.7%	62.7%	60.7%	61.0%
Percent Registered	59.1%	69.4%	68.8%	67.3%	68.5%	72.5%	71.8%	71.0%	73.5%	72.6%



Source: Greenville Technical College Office of Information Technology (Datatel)

GREENVILLE TECHNICAL COLLEGE
Student Fall Enrollment Demographics
Last Ten Years

Schedule 7

Gender	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Female	6,641	6,987	7,665	8,365	8,315	8,607	9,006	8,702	8,948	8,974
Male	4,997	4,940	5,123	5,294	5,493	5,715	6,064	5,880	6,161	5,911
Total	11,638	11,927	12,788	13,659	13,808	14,322	15,070	14,582	15,109	14,885

Race	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Black	2,341	2,478	2,742	3,157	3,048	3,361	3,745	3,528	3,358	3,569
White	8,627	8,761	9,199	9,432	9,566	9,791	10,043	9,761	9,324	10,018
Other	670	688	847	1,070	1,194	1,170	1,282	1,293	2,427	1,298
Total	11,638	11,927	12,788	13,659	13,808	14,322	15,070	14,582	15,109	14,885

Residency	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
In-County	7,892	8,016	8,531	9,324	9,487	9,760	10,029	9,552	9,938	9,936
Out-of-County	3,562	3,676	4,062	4,162	4,112	4,286	4,607	4,575	4,720	4,539
Out-of-State/Foreign	184	235	195	173	209	276	434	455	451	410
Total	11,638	11,927	12,788	13,659	13,808	14,322	15,070	14,582	15,109	14,885

Headcount	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Full-time	4,128	4,363	4,607	5,202	5,368	5,759	6,010	6,284	6,910	6,985
Part-time	7,510	7,564	8,181	8,457	8,440	8,563	9,060	8,298	8,199	7,900
Total	11,638	11,927	12,788	13,659	13,808	14,322	15,070	14,582	15,109	14,885

FTEs *	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	6,712.7	6,999.1	7,635.4	8,329.6	8,126.9	8,421.4	9,003.9	9,208.0	9,838.0	9,820.3

Ratio FTE/HC	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	0.58	0.59	0.60	0.61	0.59	0.59	0.60	0.63	0.65	0.66

Average Credits	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	8.65	8.80	8.96	9.15	8.83	8.82	8.96	9.47	9.77	9.90

Average Age	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	26	26	27	28	28	28	27	27	27	27

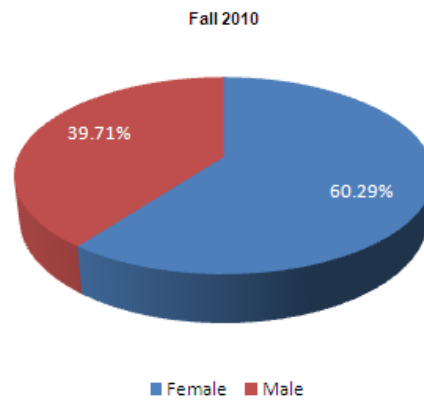
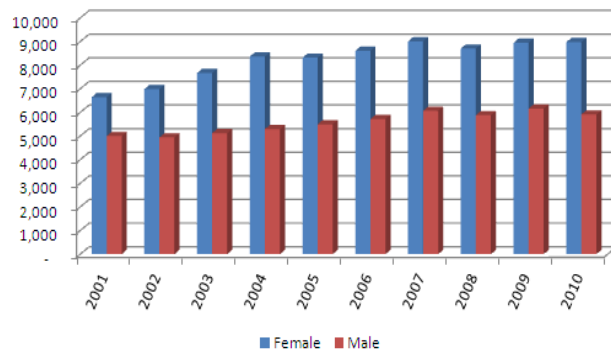
Degrees Awarded	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Associate Degrees	831	801	881	939	886	974	1,034	965	1,050	1,194
Diplomas	137	148	203	224	212	194	249	233	226	290
Certificates	767	861	1,034	1,370	1,325	1,427	1,445	1,259	1,255	1,475
Total	1,735	1,810	2,118	2,533	2,423	2,595	2,728	2,457	2,531	2,959

Note(s): All data presented is for fall term except Degrees Awarded which includes the entire fiscal year (July – June)
(*) FTE's are calculated by the total number of credit hours divided by 15, as published by CHE
Source: Greenville Technical College Office of Institutional Effectiveness

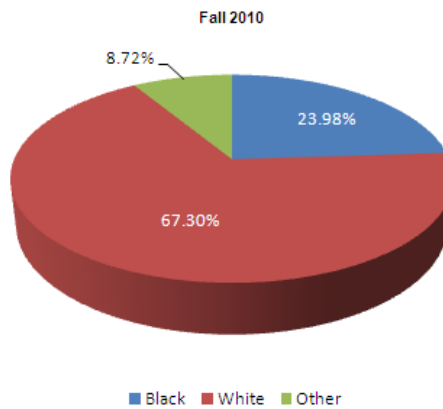
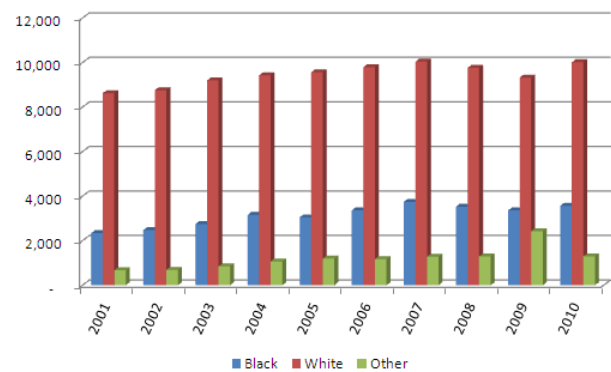
Chart 8

GREENVILLE TECHNICAL COLLEGE
Student Fall Enrollment Demographics – Gender, Race, and Residency

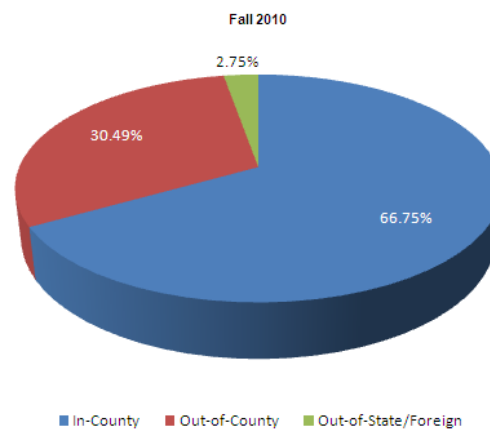
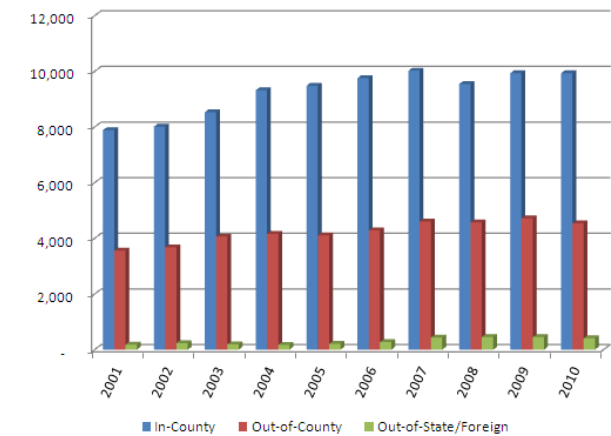
Gender



Race



Residency



GREENVILLE TECHNICAL COLLEGE
Ten Year Comparison – Student Headcount / FTE

Chart 9

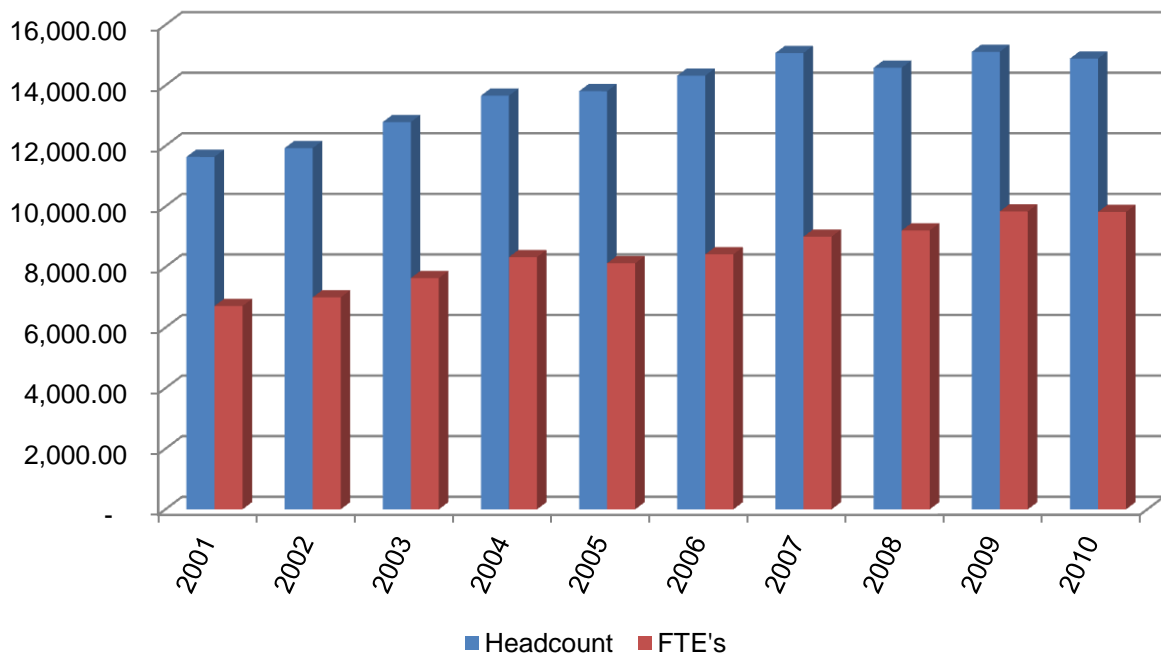
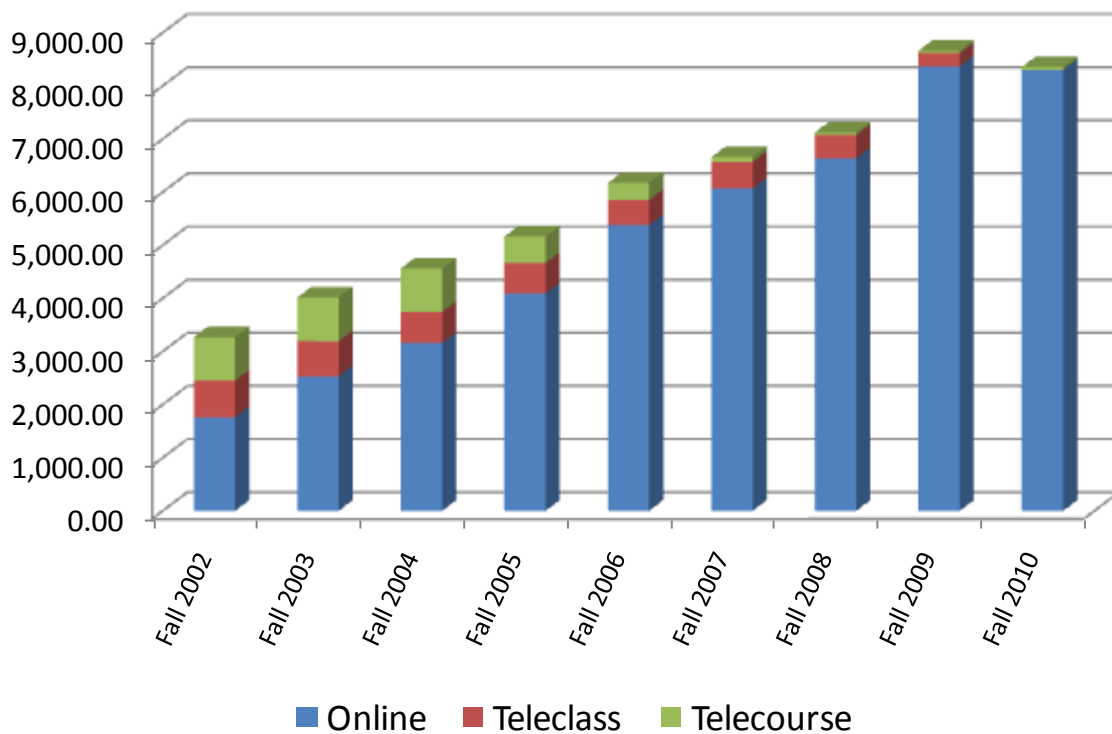


Chart 10

GREENVILLE TECHNICAL COLLEGE
Distance Learning Enrollments

	Fall 2002	Fall 2003	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010
Online	1,759	2,531	3,159	4,095	5,379	6,068	6,637	8,368	8,300
Teleclass	694	662	584	570	474	503	437	250	-
Telecourse	815	822	820	496	318	87	49	41	55
	3,268	4,015	4,563	5,161	6,171	6,658	7,123	8,659	8,355



Note(s): Online enrollment includes GTC enrollments and students who were enrolled in online courses taught by other technical colleges.

In 2010, the names for each of the distance learning formats changed from prior editions of the CAFR to reflect the most current terminology.

Source: Greenville Technical College Fact Book for years 2002-2007.

Greenville Technical College Office of Information Technology provided figures for 2008-2010 as the Fact Book is no longer published.

GREENVILLE TECHNICAL COLLEGE
Corporate and Career Development Division Statistics

Schedule 8

Audit Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011*
Contact Hours	1,185,395	1,053,278	725,639	614,636	544,951	700,609	723,825	737,173	589,058	574,942	487,825

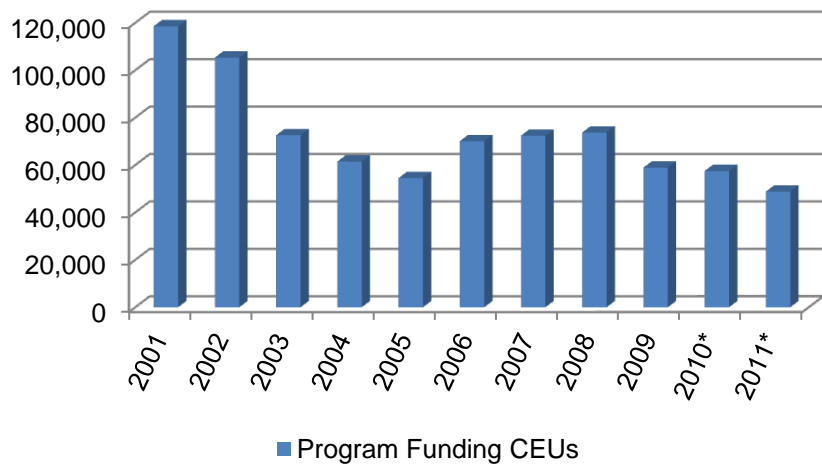
Audit Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011*
Headcount	49,500	40,276	36,268	34,932	26,507	28,079	25,360	26,675	21,958	32,188	24,643

Audit Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011*
Program Funding CEUs	118,540	105,328	72,564	61,464	54,495	70,061	72,383	73,717	58,907	57,494	48,783

Continuing Education Programs

Advanced Healthcare
Asbestos and Lead
Computer Application Courses
Creative Careers
Emergency Training
Entry Level Healthcare
Environmental & Safety
Ezone
Green Technology
Languages
Lean/Lean Six Sigma
Manufacturing
Medical, Hospital Coding and Insurance
Miscellaneous
Organizational Development
Quality/Project Management
Real Estate
Skilled Trades Quick Jobs: CNC
Skilled Trades Quick Jobs: Electrician
Skilled Trades Quick Jobs: Mechatronics
Skilled Trades Quick Jobs: Welding
Technical Computer
Trades

Program Funding CEUs



Note: (*) Preliminary numbers as of September 2011 for both current and prior years.
Source: Greenville Technical College Corporate and Career Development Division



STATISTICAL SECTION:

Debt Capacity

INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA

GREENVILLE TECHNICAL COLLEGE
Ratios of Outstanding Debt

Total Outstanding Debt	2002	2003	2004	2005	2006
Bonds Payable	\$ 11,295,000	\$ 10,720,000	\$ 10,230,000	\$ 21,285,000	\$ 20,930,000
Notes Payable	1,679,379	1,231,679	758,896	259,526	-
Capital Leases Payable	28,825,000	27,720,000	26,560,000	26,055,000	24,690,000
Total Outstanding Debt	\$ 41,799,379	\$ 39,671,679	\$ 37,548,896	\$ 47,599,526	\$ 45,620,000
Outstanding debt per FTE	6,227	5,668	4,918	5,714	5,613
<i>Full-time Equivalent Students</i>	<i>6,713</i>	<i>6,999</i>	<i>7,635</i>	<i>8,330</i>	<i>8,127</i>

Total Outstanding Debt	2007	2008	2009	2010	2011
Bonds Payable	\$ 19,915,000	\$ 23,035,000	\$ 21,955,000	\$ 20,840,000	\$ 19,680,000
Notes Payable	-	-	-	-	-
Capital Leases Payable	23,210,000	21,670,000	20,065,000	26,800,000	24,720,000
Total Outstanding Debt	\$ 43,125,000	\$ 44,705,000	\$ 42,020,000	\$ 47,640,000	\$ 44,400,000
Outstanding debt per FTE	5,121	4,965	4,563	4,842	4,521
<i>Full-time Equivalent Students</i>	<i>8,421</i>	<i>9,004</i>	<i>9,208</i>	<i>9,838</i>	<i>9,820</i>

Source: Greenville Technical College Audited Financial Statements for years indicated and Greenville Technical College Office of Institutional Effectiveness

GREENVILLE TECHNICAL COLLEGE
Bond Coverage

Schedule 10

Fiscal Year Ended June 30	Capital Fees Revenue	County Appropriations	State Appropriations	Debt Service Requirements				Capital Fees Coverage Ratio	Total Coverage Ratio
				Principal	Interest	Fees	Total		
2011	\$ 2,652,875	\$ 2,586,478	\$ 614,729	\$ 1,160,000	\$ 847,707	\$ 500	\$ 2,008,207	1.32	2.92
2010	\$ 2,703,379	\$ 2,454,664	\$ 824,512	\$ 1,115,000	\$ 890,850	\$ 1,254	\$ 2,007,104	1.35	2.98
2009	\$ 2,410,430	\$ 2,437,878	\$ 936,200	\$ 1,080,000	\$ 930,434	\$ 2,031	\$ 2,012,465	1.20	2.87
2008	\$ 2,228,024	\$ 2,267,773	\$ 2,985,963	\$ 2,620,000	\$ 1,669,506	\$ 3,781	\$ 1,954,884	1.14	3.83
2007	\$ 1,102,997	\$ 2,278,980	\$ 1,378,839	\$ 2,495,000	\$ 1,675,393	\$ 4,371	\$ 4,174,764	0.26	1.14
2006	\$ 1,070,262	\$ 2,190,003	\$ 1,642,303	\$ 2,309,526	\$ 2,001,066	\$ 9,660	\$ 4,320,252	0.25	1.13
2005	\$ 1,100,947	\$ 2,187,309	\$ 1,087,791	\$ 2,234,370	\$ 1,912,772	\$ 3,228	\$ 4,150,370	0.27	1.05
2004	\$ 951,943	\$ 2,148,514	\$ 1,087,791	\$ 2,122,783	\$ 1,991,916	\$ 1,871	\$ 4,116,570	0.23	1.02
2003	\$ 1,830,214	\$ 2,107,210	\$ 1,526,192	\$ 2,127,700	\$ 2,068,459	\$ 2,633	\$ 4,198,792	0.44	1.30
2002	\$ 1,820,472	\$ 2,100,228	\$ 3,346,797	\$ 1,864,216	\$ 1,930,233	\$ 3,509	\$ 3,797,958	0.48	1.91

Note(s): Greenville County supports the operations of the College with annual appropriations to meet the annual debt service requirements of the College's general obligation bonds. The State of South Carolina appropriates funds to assist with other debt service on the College's certificate of participation that was issued to allow the College to acquire a portion of the McAlister Square Mall Complex. The State also appropriates capital funds to the College to assist with other projects including capital projects and maintenance projects. The College receives capital fees from students as part of their tuition and fee payment. These funds are used to service debt and provide funding for capital projects. These funds are listed above along with all the long term debt obligations including capital leases payable.

Source: Greenville Technical College Finance Division and Datatel



STATISTICAL SECTION:

Demographic & Economic Information

INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA

Schedule 11

GREENVILLE TECHNICAL COLLEGE
Economic Indicators for Service Area

Total Personal Income	2001	2002	2003	2004	2005
Greenville	11,678,036	11,817,517	12,123,196	12,740,095	13,464,483
South Carolina	104,214,765	107,002,284	110,660,290	117,248,153	124,392,180
United States	8,878,830,000	9,054,702,000	9,369,072,000	9,928,790,000	10,476,669,000
	2006	2007	2008	2009	2010
Greenville	14,699,855	15,784,870	16,490,126	16,234,843	*N/A
South Carolina	134,196,693	142,166,788	149,283,378	145,249,286	150,495,805
United States	11,256,516,000	11,900,562,000	12,451,599,000	11,916,808,000	12,357,113,000

Per Capita Personal Income	2001	2002	2003	2004	2005
Greenville	30,223	30,217	30,666	31,782	33,039
South Carolina	25,637	26,049	26,663	27,844	29,131
United States	31,157	31,481	32,295	33,909	35,452
	2006	2007	2008	2009	2010
Greenville	35,120	36,606	37,254	35,963	*N/A
South Carolina	30,794	31,990	32,962	31,646	32,460
United States	37,725	39,506	40,947	38,846	39,945

Population of Service Area	2001	2002	2003	2004	2005
Greenville County	386,393	391,087	395,325	400,858	407,533
	2006	2007	2008	2009	2010
Greenville County	418,555	431,215	442,635	451,428	*N/A

Unemployment	2001	2002	2003	2004	2005
Greenville County	3.8%	4.9%	5.5%	5.9%	5.5%
South Carolina	5.2%	6.0%	6.7%	6.8%	6.8%
United States	4.7%	5.8%	6.0%	5.5%	5.1%
	2006	2007	2008	2009	2010
Greenville County	5.3%	4.7%	5.6%	10.2%	9.4%
South Carolina	6.4%	5.6%	6.9%	11.7%	11.2%
United States	4.6%	4.6%	5.8%	9.3%	9.6%

Announced Job Creation	2001	2002	2003	2004	2005
Greenville County	*N/A	783	925	1,586	1,073
	2006	2007	2008	2009	2010
Greenville County	1,926	683	1,556	909	2,083

Source(s): U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Department of Labor, Bureau of Labor Statistics; Greenville Area Development Corporation

Note(s): Economic indicators from prior years have updated to reflect the most current figures.

GREENVILLE TECHNICAL COLLEGE
Principal Employers in Service Area

Schedule 12

2011		
Company Name	Employment	Percent of Total County Employment
Greenville Hospital System	9,778	4.34%
School District of Greenville County	8,700	3.86%
Michelin North America Inc	4,000	1.77%
Bon Secours St. Francis Health System	3,500	1.55%
SC State Government	3,238	1.44%
General Electric Co	3,200	1.42%
Fluor Corporation	2,100	0.93%
US Government	1,857	0.82%
Greenville County Government	1,672	0.74%
Bob Jones University	1,650	0.73%
<i>Top 10 Total Employment</i>	39,695	17.60%
<i>Greenville County Total Employment</i>	225,493	100.00%

2002		
Company Name	Employment	Percent of Total County Employment
Greenville Hospital System	7,483	3.40%
School District of Greenville County	7,207	3.27%
Bi-Lo	4,083	1.86%
General Electric Co.	2,600	1.18%
State of South Carolina	2,561	1.16%
St. Francis Health System	2,103	0.96%
Bob Jones University	1,783	0.81%
Sealed Air Corp - Cryovac Division	1,700	0.77%
Fluor	1,680	0.76%
Greenville County	1,607	0.73%
<i>Top 10 Total Employment</i>	32,807	14.90%
<i>Greenville County Total Employment</i>	220,103	100.00%

Source: Current and historic rankings reported through May 2011 by the South Carolina Appalachian Council of Governments and Greenville Area Development Corporation. Greenville County Total Employment reported through the first quarter of 2011 by the South Carolina Employment Security Commission.



STATISTICAL SECTION:

Operating Information

INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA

Schedule 13
GREENVILLE TECHNICAL COLLEGE
 Faculty and Staff Statistics

Faculty	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Full-Time	279	280	282	304	326	318	331	330	330	347
Part-Time	352	319	342	398	403	400	432	480	441	445
Total Faculty	631	599	624	702	729	718	763	810	771	792

Staff	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Full-Time	407	337	354	364	371	360	353	336	333	343
Part-Time	245	262	283	281	279	271	277	285	308	312
Total Staff	652	599	637	645	650	631	630	621	641	655

Combined	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Full-Time	686	617	636	668	697	678	684	666	663	690
Part-Time	597	581	625	679	682	671	709	765	749	757
Total Employees	1,283	1,198	1,261	1,347	1,379	1,349	1,393	1,431	1,412	1,447

Average Annual Faculty Salary	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	39,582	40,028	40,756	41,495	42,703	43,887	44,935	45,493	45,258	45,812

Source(s): Greenville Technical College Office of Institutional Effectiveness and South Carolina Commission on Higher Education.

GREENVILLE TECHNICAL COLLEGE
Space Utilization

Schedule 14

Instruction	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assignable Square Feet	341,964	478,870	481,636	485,180	490,767	596,118	605,431	651,727	652,447	731,684
Percentage of Total	70.2%	78.6%	79.0%	79.4%	79.7%	82.5%	82.9%	83.0%	83.3%	81.7%
Public Service	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assignable Square Feet	942	942	942	942	942	1,326	3,090	3,090	3,090	12,668
Percentage of Total	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.4%	0.4%	0.4%	1.4%
Academic Support	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assignable Square Feet	24,494	26,756	26,756	29,735	29,735	32,276	32,111	33,003	33,003	29,811
Percentage of Total	5.0%	4.4%	4.4%	4.9%	4.8%	4.5%	4.4%	4.2%	4.2%	3.3%
Student Services	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assignable Square Feet	31,815	32,476	32,476	27,808	27,808	27,808	27,687	31,908	31,908	26,761
Percentage of Total	6.5%	5.3%	5.3%	4.5%	4.5%	3.8%	3.8%	4.1%	4.1%	3.0%
Institutional Support	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assignable Square Feet	27,379	29,777	28,466	28,466	28,466	24,294	21,623	24,420	21,749	26,631
Percentage of Total	5.6%	4.9%	4.7%	4.7%	4.6%	3.4%	3.0%	3.1%	2.8%	3.0%
Plant Operations and Maintenance	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assignable Square Feet	38,593	16,407	15,525	15,525	14,590	14,099	13,937	14,291	14,291	7,145
Percentage of Total	7.9%	2.7%	2.5%	2.5%	2.4%	2.0%	1.9%	1.8%	1.8%	0.8%
Auxiliary Enterprises	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assignable Square Feet	10,009	11,556	11,556	11,556	11,556	11,556	11,556	11,556	11,556	3,108
Percentage of Total	2.1%	1.9%	1.9%	1.9%	1.9%	1.6%	1.6%	1.5%	1.5%	0.3%
Independent Operations	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assignable Square Feet	12,080	12,080	12,080	12,080	12,081	12,081	12,081	12,081	12,081	57,243
Percentage of Total	2.5%	2.0%	2.0%	2.0%	2.0%	1.7%	1.7%	1.5%	1.5%	6.4%
Unassigned	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Unassigned Square Feet	-	-	-	62	62	2,771	2,771	2,771	2,771	376
Percentage of Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.4%	0.4%	0.4%	0.0%
Total Square Footage	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total Square Feet	487,276	608,864	609,437	611,354	616,007	722,329	730,287	784,847	782,896	895,427
Parking Facilities	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Parking Spaces Available	5,047	5,047	5,047	5,047	4,947	5,527	5,892	6,194	6,505	6,418
Number of Employees	1,283	1,198	1,261	1,347	1,379	1,349	1,393	1,431	1,412	1,447
Number of Students	11,638	11,927	12,788	13,659	13,808	14,322	15,070	14,582	15,109	14,885

Source: Greenville Technical College CHEMIS reports for years presented and Greenville Technical College Campus Police.



STATISTICAL SECTION:

Other Information

INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA

GREENVILLE TECHNICAL COLLEGE
Instructional Programs

Associates Degrees

Local Code	Program Title	Program Code
Arts and Sciences		
45600	Associate in Arts	AA.ART
45600	Associate in Arts-Education	AA.ART.EDU
45600	Associate in Arts-Art Education	AA.ART.EDUC
45600	Associate in Arts-Fine Arts	AA.ART.FINE
45600	Associate in Arts-Graphic Design	AA.ART.GRAP
45600	Associate in Arts-Photography	AA.ART.PHOTO
45600	Associate in Arts-Theatre	AA.ART.THE
45600	Associate in Arts-Web Design	AA.ART.WEBD
55600	Associate in Science	AS.SCI
55600	Associate in Science-Education	AS.SCI.EDU
55600	Associate in Science-Biotechnology	AS.SCI.BIOT
55600	Associate in Science-Chemical Engineering	AS.SCI.CHEM
55600	Associate in Science-Civil Engineering	AS.SCI.CIVL
55600	Associate in Science-Computer Engineering	AS.SCI.COMP
55600	Associate in Science-Electrical Engineering	AS.SCI.EENG
55600	Associate in Science-Mechanical Engineering	AS.SCI.METT
Business and Public Service		
35002	Accounting	AAS.ACC
35007	Administrative Office Technology	AAS.AOT
35007	Administrative Office Technology-Medical	AAS.AOT.MED
35007	Administrative Office Technology-Legal	AAS.AOT.LEG
35104	Computer Technology	AAS.CPT
35104	Computer Technology-Computer Information Systems (CIS)	AAS.CPT.CIS
35104	Computer Technology-Information Management & Systems	AAS.CPT.IMS
35104	Computer Technology-Network Systems	AAS.CPT.NETW
35505	Criminal Justice Technology	AAS.CRJ
35017	Culinary Arts Technology	AAS.CUL
35017	Culinary Arts Technology-Baking & Pastry Arts	AAS.CUL.BAK
35508	Early Care and Education	AAS.ECE
35501	Human Services	AAS.HUS
35030	Management	AAS.MGT
35030	Management-Fire Service Administration	AAS.MGT.FIRE
35004	Marketing	AAS.MKT
35520	Paralegal	AAS.LEG
35006	Supply Chain Management	AAS.SCM
Health Sciences and Nursing		
35220	Biotechnology	AAS.BIOT
35203	Dental Hygiene	AAS.DHG
35218	Diagnostic Medical Sonography	AAS.DMS
35299	Emergency Medical Technology	AAS.EMT
35213	Health Information Management	AAS.HIM
35205	Medical Laboratory Technology	AAS.MLT
35208	Nursing	AAS.NUR
35208	Nursing-BSN Transfer Track	AAS.NUR.BSN
35221	Occupational Therapy Assistant	AAS.OTA
35219	Physical Therapist Assistant	AAS.PTA
35207	Radiologic Technology	AAS.RAD
35215	Respiratory Care	AAS.RES

GREENVILLE TECHNICAL COLLEGE
Instructional Programs

Schedule 15
(continued)

Associates Degrees (continued)

Local Code	Program Title	Program Code
Technology		
35302	Aircraft Maintenance Technology	AAS.AMT
35304	Architectural Engineering Technology	AAS.AET
35306	Automotive Technology-ASTP	AAS.AUT.ASTP
35306	Automotive Technology-ASEP	AAS.AUT.ASEP
35306	Automotive Technology-Nissan-Infiniti Training Program	AAS.AUT.NITP
35306	Automotive Technology-SE Toyota Approved Training	AAS.AUT.STAT
35308	Construction Engineering Technology	AAS.CET
35308	Construction Engineering Technology-Const. Science Mgt.	AAS.CET.CSM
35310	Electronics Engineering Technology	AAS.EET
35303	Engineering Graphics Technology	AAS.EGT
35502	Fire Science Technology	AAS.FST
35318	General Technology	AAS.GTE
35318	General Technology-Business	AAS.GTE.GTBN
35318	General Technology-Engineering	AAS.GTE.GTEN
35318	General Technology-Health Sciences	AAS.GTE.GTHS
35318	General Technology-Industrial	AAS.GTE.GTIN
35318	General Technology-Public Service	AAS.GTE.GTPS
35319	Geomatics Technology	AAS.GMT
35372	Industrial Maintenance Technology	AAS.IMT
35370	Machine Tool Technology	AAS.MTT
35315	Mechanical Engineering Technology	AAS.MET

Certificates

Local Code	Program Title	Program Code
Arts and Sciences		
71019	Biotechnology	CAS.BIO7
70867	Fine Arts	CA.FAR7
71067	General Studies-Transfer	CA.GS7
71067	General Studies-Transfer-College of Charleston	CA.GS7.CC
71067	General Studies-Transfer-Francis Marion University	CA.GS7.FMU
71067	General Studies-Transfer-Lander University	CA.GS7.LAN
71067	General Studies-Transfer-USC Upstate	CA.GS7.UP
71067	General Studies-Transfer-USC Columbia	CA.GS7.USC
70868	Graphic Design	CA.GRD7
70871	Photography	CA.PHO7
71147	Theatre	CA.THE7
70986	Web Site Design	CA.WSD7
Business and Public Service		
71040	Accounting	CAS.ACG7
60587	Accounting Clerk	CAS.ACC6
60574	Small Business Accounting	CAS.SBA6
70355	Legal Clerical	CAS.LC7
70356	Medical Clerical	CAS.MC7
60767	Physician Practice Specialist	CAS.PPS6
60832	Cisco Routing/Network Configuration	CAS.CRN6
60904	Linux Administration	CAS.LIN6
70957	Microsoft Network Technician	CAS.MNA7
70919	Network Specialist	CAS.NWS7
60850	Visual Basic Developer	CAS.VBD6
60902	Esthetics	CAS.ETH6

Certificates (continued)

Local Code	Program Title	Program Code
Business and Public Service (continued)		
60903	Nail Technology	CAS.NT6
70666	Law Enforcement Training	CAS.LET7
70879	Forensics	CAS.FOR7
70917	Baking and Pastry Arts	CAS.BPA7
60551	Culinary Education	CAS.CED7
70551	Child Care Management	CAS.CCM7
70237	Early Childhood Development	CAS.ECD7
71053	Early Childhood Special Education	CAS.ECSE7
60894	Infant/Toddler	CAS.IT6
70969	Fire Service Technology	CAS.FST7
70546	Mental Health	CAS.HUS7
60343	Gerontology	CAS.GER6
70547	Substance Abuse Treatment	CAS.SAT7
60760	Business Supervision	CAS.BSV6
71011	Human Resource Management	CAS.HUM7
60765	Intro to Business Management	CAS.IBM7
71130	Real Estate Appraisal	CAS.REA7
70873	Small Business Management/Entrepreneurship	CAS.SBE7
60766	Marketing Communications	CAS.MKC7
60970	Marketing in the Non-Profit Sector	CAS.MNPS6
70649	Inventory Management	CAS.INV7
60659	Supply Chain Management	CAS.SCM7
Health Sciences and Nursing		
60575	Massage Therapy	CAS.MT6
60634	Patient Care Technician	CAS.PCT6
70870	Personal Trainer	CAS.PT7
71143	Pharmacy Technician	CAS.PHAR7
60951	Sterile Processing	CAS.SP6
60858	Professional Grooming and Animal Care	CAS.SAC6
70963	Veterinary Assistant	CAS.VET7
71208	Pre-Veterinary Technology	CAS.PVET7
60801	Dental Aide	CAS.DNT6
71018	EMT-Paramedic	CAS.EMTP7
60618	Computed Tomography	CAS.CTO6
70543	Magnetic Resonance Imaging	CAS.MRI7
60564	Mammography	CAS.MAM6
71099	Pre-Nursing Transfer	CAS.PNUR7
71079	Limited Radiography	CAS.LRAD7
Technology		
70892	Aviation Airframe Structure/Systems	CAS.AAS7
60789	Aviation Fundamentals	CAS.AVF6
70893	Aviation Powerplant Theory/Systems	CAS.APT7
60967	Private Pilot	CAS.PP6
70475	Auto Body Repair	CAS.ABR7
60569	Automatic/Manual Transmission	CAS.AMT6
60854	Automotive Air Conditioning Systems	CAS.AAC7
60759	Brakes/Steering/Suspension	CAS.BSS7
60568	Engine Electrical	CAS.EE6
60571	Engine Performance	CAS.EP6
60855	MotorSports Marketing	CAS.MSM6
60856	MotorSports Performance Engines	CAS.MSP6

GREENVILLE TECHNICAL COLLEGE
Instructional Programs

Schedule 15
(continued)

Certificates (continued)

Local Code	Program Title	Program Code
Technology (continued)		
60857	Race Chassis Building & Setup	CAS.RCB6
70176	Building Construction Technology	CAS.CAR7
71003	Masonry	CAS.MSY6
60901	Plumbing	CAS.PLB6
70647	Basic Industrial Electronics	CAS.BIE7
60865	3-D Modeling CAD Design	CAS.CCD6
60511	Drafting & CAD Fundamentals	CAS.DCF6
70178	Drafting & CADD	CAS.DCD7
70916	Advanced GIS	CAS.GIS7
70918	Land Surveying	CAS.LS7
70330	Air Conditioning/Refrigeration Technician	CAS.ACR7
60308	Beginning Electricity & Refrigeration	CAS.BER6
60866	Commercial and Industrial Air Conditioning	CAS.CIA7
60309	Installation & Service of ACR Equipment	CAS.ISA6
70151	Industrial Electricity	CAS.ELT7
71126	Mechatronics I	CAS.MECA7
71142	Mechatronics II	CAS.MECB7
60833	Manufacturing Maintenance I (Primedia)	CAS.MM6
71021	System Troubleshooter-Michelin	CAS.STM7
71022	Automation Technician-Michelin	CAS.ATM7
71164	Mechanical/Electrical Maintenance - ATS	CAS.MEM7
71221	Solar Technician	CAS.SOL7
60489	Basic Machine Operations	CAS.BMO6
60019	CNC Machine Operator	CAS.CN6
60250	CNC Prep	CAS.CNP6
60201	CNC Programmer	CAS.CNC7
70648	Metalworking Apprenticeship	CAS.MWF7
60005	Truck Driver Training	CAS.TDR6
70476	Diesel Equipment Technology	CAS.DEM7
60091	Specialized Welding	CAS.SWL6
70113	Welding	CAS.WLD7
71161	Welding Fabrication	CAS.WFAB7
60555	Welding Fundamentals	CAS.WF7

Diplomas

Local Code	Program Title	Program Code
Business and Public Service		
15006	Cosmetology	DAS.COS1
15508	Early Childhood Development	DAS.ECD1
Health Sciences and Nursing		
15202	Expanded Duty Dental Assisting	DAS.EDD1
15203	Pharmacy Technician	DAS.PHM1
15209	Practical Nursing	DAS.LPN1
15211	Surgical Technology	DAS.SUR1
Technology		
15390	Air Conditioning/Refrigeration Technology	DAS.ACR1
15332	Auto Body Repair	DAS.ABR1
15392	Building Construction Technology	DAS.CAR1
15302	Engineering Graphics	DAS.EGT1
15370	Machine Tool	DAS.MTT1

Source: Greenville Technical College Office of Academic Services

GREENVILLE TECHNICAL COLLEGE
College Accreditation and Non-Discrimination Policy

Schedule 16

Greenville Technical College is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (1866 Decatur Lane, Decatur, Georgia 30033-4097; telephone number 404-678-4501) to award associate degrees, diplomas and certificates.

Program Accrediting Agencies

Technology Accreditation Commission of ABET 111 Market Place, Suite 1050 Baltimore, MD 21202 (410) 347-7700	Commission on Accreditation for Health Informatics and Information Management Education (CAHIIM) Accreditation Services c/o AHIMA 233 N. Michigan Avenue, Suite 2150 Chicago, IL 60601-5800 (312) 787-2672
Accreditation Council for Occupational Therapy Education 4720 Montgomery Lane PO Box 31220 Bethesda, MD 20824-1220 (301) 652-2862	Commission on Accreditation in Physical Therapy Education American Physical Therapy Association 111 North Fairfax Street Alexandria, VA 22314-1488 (703) 684-2782
Accreditation Review Committee on Education in Surgical Technology 6 West Dry Creek Circle Suite 110 Littleton, CO 80120 (303) 694-9262 Fax: (303) 741-3655	Commission on Accreditation of Allied Health Education Programs 35 East Wacker Drive, Suite 1970 Chicago, IL 60601-2208 (312) 553-9355
American Bar Association Standing Committee on Paralegals Approval Commission 321 N. Clarks Street Chicago, IL 60654-7598 (800) 285-2221	Committee on Accreditation for Respiratory Care 1248 Harwood Road Bedford, TX 76201-4244 (817) 283-2835
American Culinary Federation Education Foundation, Inc. Accrediting Commission 180 Center Place Way St. Augustine, FL 32095 (800) 624-9458	Committee on Accreditation of Educational Programs for the EMS Professions (CoAEMSP) 4101 W. Green Oaks Boulevard, Suite 305-599 Arlington, TX 76016 (817) 330-0080
American Society of Health System Pharmacists Accreditation Services Division 7272 Wisconsin Avenue Bethesda, MD 20814 (301) 657-3000	Commission on Dental Accreditation American Dental Association 211 East Chicago Avenue Chicago, IL 60611-2678 (312) 440-4653
Accreditation Council for Business Schools & Programs 11520 West 119th Street Overland Park, KS 66213 (913) 339-9356	Council on Accreditation American Health Information Management Association 919 West Michigan Ave. Suite 1400 Chicago, IL 60611-1683 (312) 787-2672

Program Accrediting Agencies (continued)

Federal Aviation Administration Flight Standards District Office FAA/FSD0-13 125B Summer Lake Drive West Columbia, SC 29170 (803) 765-5931	National Board for Certification in Occupational Therapy 800 South Frederick Ave. Suite 200 Gaithersburg, MD 20877-4150 (301) 990-7979
Joint Review Committee on Education in Diagnostic Medical Sonography 1248 Harwood Road Bedford, TX 76201-4244 (817) 685-6629	National Center for Construction Education and Research (NCCER) P.O. Box 141104 Gainesville, FL 32614-1104 (352) 334-0920
Joint Review Committee on Education in Radiologic Technology 20 North Wacker Avenue, Suite 2850 Chicago, IL 60606-3182 (312) 704-5300	National League for Nursing Accrediting Commission (NLNAC) 3343 Peachtree Road NE, Suite 500 Atlanta, GA 30326 (404) 975-5000 www.nlnac.org
National Accrediting Agency for Clinical Laboratory Sciences 5600 N. River Road, Suite 720 Rosemont, IL 60018 (773) 714-8880	South Carolina Department of Labor, Licensing and Regulation Board of Nursing Kingstree Building, Suite 202 110 Centerview Drive Columbia, SC 29211-1329 (803) 896-4550
National Association for the Education of Young Children 1313 L Street, Suite 500 NW Washington, DC 20005-4101 (202) 232-8777 (800) 424-2460	South Carolina Department of Public Safety Driver Improvement Division - DMV P.O. Box 1498 Columbia, SC 29216
National Automotive Technicians' Educational Foundation (NATEF) 13505 Dulles Technology Drive Herndon, VA 22071-3415 (703) 713-0100, Ext. 216	

Source: Greenville Technical College 2011 Catalog and Student Handbook

Non-Discrimination Policy:

Greenville Technical College provides equal opportunity and affirmative action in education and employment for all qualified persons regardless of race, color, religion, sex, national origin, age, disability, sexual orientation, or veteran status. The college complies with the provisions of Titles VI and VII of the Civil Rights Act of 1964, as amended; Title IX of the Education Amendments of 1972 and the Higher Education Amendments of 1986; Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; the South Carolina Human Affairs Law of 1972; and with the Americans with Disabilities Act (ADA) of 1990 as well as the ADA Amendments of 2008 (ADAA). For additional information on nondiscrimination policies, students should contact Sharon Bellwood, director of Student Disability Services, which coordinates Title II of the ADA/ADAA, Section 504 and Title IX at (864) 250-8408 v/TTY. Others should contact the director of Human Resources, Susan Jones at (864) 250-8191 or the Equal Employment Officer at (864) 250-8177.



Single Audit Section

INCLUDED IN THE HIGHER EDUCATION FUNDS OF THE STATE OF SOUTH CAROLINA

Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133

Greenville Technical College
Greenville, South Carolina

Compliance

We have audited the compliance of Greenville Technical College, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Greenville Technical College's major federal programs for the year ended June 30, 2011. Greenville Technical College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Greenville Technical College's management. Our responsibility is to express an opinion on Greenville Technical College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Greenville Technical College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Greenville Technical College's compliance with those requirements.

In our opinion Greenville Technical College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Greenville Technical College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Greenville Technical College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Greenville Technical College's internal control over compliance.

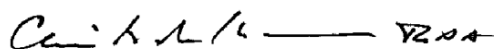
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We identified a deficiency in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business-type activities of Greenville Technical College as of and for the years ended June 30, 2011 and June 30, 2010, and have issued our report thereon dated September 1, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the audit committee, management, others within the organization and the federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.



September 9, 2011

Independent Auditors' Report on Internal Control Over
Financial Reporting And On Compliance and Other Matters
Based on an Audit of Financial Statements Performed
In Accordance With Government Auditing Standards

Greenville Technical College
Greenville, South Carolina

We have audited the financial statements of the business-type activities of Greenville Technical College as of and for the years ended June 30, 2011 and June 30, 2010, which collectively comprised the College's basic financial statements and have issued our report thereon dated September 1, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Greenville Tech College Foundation, Inc. and Subsidiaries as described in our report on Greenville Technical College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The Greenville Tech College Foundation, Inc. and Subsidiaries' financial statements were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Greenville Technical College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greenville Technical College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Greenville Technical College's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greenville Technical College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed a noncompliance that is required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Greenville Technical College, in a separate letter dated September 1, 2011.

Greenville Technical College's response to the finding identified in our audit is described in the accompanying schedule of findings and question costs. We did not audit the College's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the finance committee, management, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Cynthia L. [unclear]".

September 9, 2011

GREENVILLE TECHNICAL COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

DIRECT FEDERAL GRANTOR	Program	Federal CFDA Number	Federal or Pass-Through Grantor's Number	Deferred Revenues 6/30/2010	BUDGETED AMOUNT	Total Expended	Deferred Revenues 6/30/2011
<u>Pass-Through Grantor/Program Title</u>	<u>Period</u>	<u>Number</u>	<u>Number</u>	<u>6/30/2010</u>	<u>AMOUNT</u>	<u>Expended</u>	<u>6/30/2011</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>							
STUDENT FINANCIAL ASSISTANCE CLUSTER							
Pell	03-10	84.063	N/A		111,362	111,362	
Pell	10-11	84.063	N/A		33,379,616	33,379,616	
ACG	09-10	84.375	N/A		5,663	5,663	
ACG	10-11	84.375	N/A		598,557	598,557	
College Work-Study	10-11	84.033	N/A		481,991	481,991	
SEOG	07-10	84.007	N/A		1,398	1,398	
SEOG	10-11	84.007	N/A		391,808	391,808	
Plus Student Loans	10-11	84.032	N/A		214,050	214,050	
Stafford Federal Direct Student Loan	10-11	84.268	N/A		54,429,449	54,429,449	
Total Student Financial Assistance Cluster					89,613,894	89,613,894	
TRIO CLUSTER							
Student Support Services	10-11	84.042A	N/A		353,120	353,120	
Upward Bound	10-11	84.047A	N/A		247,937	247,937	
Total TRIO Cluster					601,057	601,057	
HIGHER EDUCATION - INSTITUTIONAL AID							
Title III - Addressing needs of underprepared students	10-11	84.031A	N/A		332,191	332,191	
Title VI-A Undergraduate International Studies	10-11	84.016A	N/A		55,113	55,113	
<u>Passed through State Department of Education</u>							
Transitions/Perkins/Career & Technology Education	10-11	84.048	09VA407		829,317	829,317	
Child Care Block Grant	09-10	93.575	10 TE 407		229,663	229,663	
Child Care Block Grant	10-11	93.575	11 TE 407		173,611	173,611	
ARRA - Child Care Career Development	10-11	93.575	10 TE 407		196,933	196,933	
ARRA - Stabilization Funds	10-11	84.394	N/A		5,142,789	5,142,789	
Total U.S. Department of Education					97,174,568	97,174,568	
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>							
<u>Passed Through State Health & Human Services</u>							
SC HHS Finance Commission	10-11	93.667	N/A		98,910	98,910	
<u>Passed Through State Technical College System</u>							
ARRA - ABC Child Care Program	10-11	93.713	N/A		5,509	5,509	
<u>Passed Through University of South Carolina</u>							
ARRA - ABC Materials Grant	10-11	93.713	N/A		39	39	
Total U.S. Department of Health & Human Services					104,458	104,458	

GREENVILLE TECHNICAL COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

(continued)

DIRECT FEDERAL GRANTOR <u>Pass-Through Grantor/Program Title</u>	Program <u>Period</u>	Federal CFDA <u>Number</u>	Federal or Pass-Through Grantor's <u>Number</u>	Deferred Revenues <u>6/30/2010</u>	Accrued Revenue <u>Federal</u>	Total <u>Expended</u>	Deferred Revenues <u>6/30/2011</u>
<u>U.S. DEPARTMENT OF LABOR</u>							
WIA Nurse Return to Work	10-11	17.269	HG181560960A45		24,454	24,454	
<u>Passed Through State Department of Commerce</u>							
WIA GC EMS	10-11	17.258	N/A		18,858	18,858	
ARRA - WIA Quick Jobs	10-11	17.258	N/A		85,721	85,721	
ARRA - WIA Quick Jobs Dislocated Workers	10-11	17.260	N/A		38,450	38,450	
WIA Quick Skills	10-11	17.267	N/A		(10,039)	(10,039)	
ARRA - Broadband Technology Opportunities Program	10-11	11.557	N/A		202,323	202,323	
Total U.S. Department of Labor					359,767	359,767	
<u>U.S. DEPARTMENT OF STATE</u>							
<u>Passed Through Kirkwood CC- Cooperative Agreement</u>							
Community College Summit Initiative Program	10-11		GTC2009-12EGYPT		29,796	29,796	
Community College Summit Initiative Program	10-11		GTC2009-12MULTI		9,639	9,639	
Community College Summit Initiative Program	10-11		GTC2010-12EGYPT		106,142	106,142	
Community College Summit Initiative Program	10-11		GTC2010-12MULTI		151,731	151,731	
Community College Summit Initiative Program	10-11		GTC2010-12GEN		15,413	15,413	
<u>Passed Through IREX- Cooperative Agreement</u>							
International Research and Exchange Board (IREX)	10-11				18,042	18,042	
Total U.S. Department of State					330,763	330,763	
<u>U.S. DEPARTMENT OF AGRICULTURE</u>							
<u>Passed Through SC Department of Social Services</u>							
Child Care Food Program	10-11	10.558	N/A		17,029	17,029	
Total U.S. Department of Agriculture					17,029	17,029	
<u>NATIONAL SCIENCE FOUNDATION</u>							
NSF/Visins Laboratory	10-11	47.076	DUE-0703061		248,301	248,301	
<u>Passed Through Clemson University</u>							
NSF/Mechatronics	10-11	47.076	1103-206-200-5874		23,666	23,666	
NSF/Mechatronics	10-11	47.076	1324-206-2097346		6,547	6,547	
NSF/ATE Biosystems Technology	10-11	47.046	1142-206-200-6108		67,970	67,970	
<u>Passed Through Claflin University - Cooperative Agreement</u>							
NSF/SC Rsrch Infrastructure Improv	10-11		2010-0700		51,952	51,952	
Total National Science Foundation					398,436	398,436	

GREENVILLE TECHNICAL COLLEGE
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

(continued)

DIRECT FEDERAL GRANTOR	Program	Federal CFDA Number	Federal or Pass-Through Grantor's Number	Deferred Revenues 6/30/2010	Accrued Revenue Federal	Total Expended	Deferred Revenues 6/30/2011
<u>Pass-Through Grantor/Program Title</u>	<u>Period</u>						
U.S. Department of Justice							
<u>Office of Community Oriented Policing Services</u>							
2005 RCPI Integrity/Public Trust Initiative	10-11	16.710	2005HSWXK018		51,729	51,729	
2007 CICI Terrorism & Gang	10-11	16.710	2007CKWXK026		6,936	6,936	
2008 Counter Terrorism Conference	10-11	16.710	2008CKWX0612		3,750	3,750	
2009 Knowledge Resources Delivery Model for CICI	10-11	16.710	2009CKWXK011		1,948	1,948	
<u>Office of Justice Programs</u>							
2009 Franklin Covey 7 Habits Grant	10-11	16.580	2009DDBXK145		272,146	272,146	
2007 Franklin Covey Leadership Grant	10-11	16.580	2009DDBXK007		190,132	190,132	
2010 FY 10 Solicited	10-11	16.580	2010DDBXK004		13,904	13,904	
Total U.S. Department of Justice					540,545	540,545	
U.S. Department of Energy							
<u>Passed Through SC Department of Energy</u>							
ARRA - Solar Energy Training Center	10-11	81.041			18,936	18,936	
ARRA - Geothermal Training Center	10-11	81.041			6,477	6,477	
ARRA - State Energy Program	10-11	81.041	S09-0133		58,591	58,591	
Total U.S. Department of Energy					84,004	84,004	
U.S. Department of Veteran Affairs							
VA Chapter 33	10-11				877,708	877,708	
TOTAL FEDERAL AWARDS					99,887,278	99,887,278	

GREENVILLE TECHNICAL COLLEGE
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Greenville Technical College. The reporting entity is defined in Note 1 of the College's financial statements.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 of the College's financial statements.

3. FEDERAL LOAN PROGRAMS

The College has students who have approved loans which were received by those students during the current year. The College is not the lender, it only processes them for the lender the student chooses. The totals and types of loans received for the current fiscal year are:

Plus Loans		\$	214,050
Stafford / Federal Direct Loans -	Subsidized		22,888,549
Stafford / Federal Direct Loans -	Unsubsidized		<u>31,540,900</u>
		\$	<u><u>54,643,499</u></u>

GREENVILLE TECHNICAL COLLEGE
Summary Schedule of Prior Audit Findings
June 30, 2011

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

There were no findings and questioned costs relating to federal awards.

Summary of Auditors' Results:

GAGAS

An unqualified opinion was issued on Greenville Technical College's general purpose financial statements dated September 1, 2011.

There were no significant deficiencies or material weaknesses. No instances of noncompliance material to the financial statement were disclosed by the audit of their financial statements.

A-133

An unqualified opinion was also issued on compliance of major programs at Greenville Technical College dated September 1, 2011. A material weakness in the internal control over major programs was found. Our audit disclosed an audit finding that is required to be reported under OMB Circular A-133.

The major programs at Greenville Technical College are the Student Financial Aid Cluster and ARRA-State Fiscal Stabilization Fund (CFDA #84.394) from the U.S. Department of Education, Franklin Covey Grant (CFDA # 16.580) from the U.S. Department of Justice, ARRA-Broadband Technology Opportunities Program (CFDA #11.557) from the U.S. Department of Commerce and Education and Human Resources (CFDA # 47.076 from National Science Foundation. Type A programs are defined as those that expended \$300,000 or more and type B programs are those that expended less than \$300,000. Greenville Technical College's total federal awards expended for the year ended June 30, 2011 were between \$10 million and \$100 million.

Greenville Technical College is considered a low-risk auditee according to the criteria in OMB Circular A-133.

Findings Relating to the Financial Statements:

There were no major findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

Student Financial Aid Cluster

MW 11-01

Activities Allowed and Unallowed

Condition:	The College began offering programs that are eligible under 34 CFR 668(c)(3) without first notifying the secretary under 34 CFR 600.10(c).
Criteria:	An eligible institution must notify the Secretary at least 90 days before the first day of the class when it intends to add an educational program that prepares students for gainful employment in a recognized occupation. 34CFR 600.10(c), 600.20(c)(v), 668(c)(3).
Effect:	All programs offered without the preapproval of the Secretary of Education under 34 CFR 600.10(c) are ineligible.
Cause:	The responsible department failed to notify the financial aid office that the College offered new programs.
Recommendation:	The College should establish a system in place to ensure that the Secretary of Education is notified when new programs are to be offered.
Questioned Costs:	Any amount will be determined by the U.S. Department of Education.

<u>Financial Aid Cluster</u>	<u>Federal CFDA Number</u>
U.S. Department of Education	
Federal Work Study	84.033
PELL	84.063
FSEOG	84.007
ACG	84.375
PLUS Loan	84.032
Direct Loan	84.268
 <u>TRIO Cluster</u>	
Student Support Services	84.042
Upward Bound	84.047
 <u>Workforce Investment Act</u>	
WIA Adult	17.258
WIA Youth Activities	17.259
WIA Dislocated Workers	17.260



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Barton Campus • Brashier Campus • Greer Campus • Northwest Campus

September 12, 2011

Cline, Brandt, Kochenower & Company, PA
Post Office Box 848
Gaffney, SC 29342

Current Year Corrective Action Plan
June 30, 2011

MW 11-01 Activities Allowed and Unallowed

The College has changed the procedures related to new educational programs to include notification of the Director of Financial Aid any time a new educational program is being created. The Director of Financial Aid will acknowledge the notification and will notify the Department of Education at least 90 days prior to the first day of class for all new programs.

Sincerely,

A handwritten signature in black ink that reads 'Jacqueline R. DiMaggio'.

Jacqueline R. DiMaggio
Vice President for Finance